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BBMBMC 362

**Credit Based Sixth Semester B.B.M. Degree
Examination, April/May 2015
(2012 Scheme)
INVESTMENT MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

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

SECTION – A (Two marks each)

Answer **any ten** of the following in **2 or 3** sentences **each** :

(2×10=20)

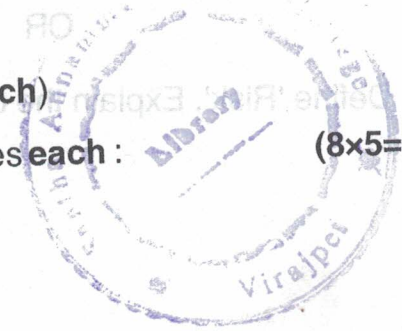
1. a) What are Debentures ?
- b) What are discount bonds ?
- c) Expand ICRA.
- d) What is a secondary market ?
- e) Who is a bull speculator ?
- f) What is a closed ended scheme of mutual fund ?
- g) What is an exchange traded fund ?
- h) What do you understand by port folio construction ?
- i) What are Government Securities ?
- j) What is a put option ?
- k) What is Depository ?
- l) The standard deviation of a share is 0.24, while of market is 0.2 correlation coefficient is 0.09. Calculate the Beta coefficient.

SECTION – B (Eight marks each)

Answer **any five** of the following in **not** more than **2** pages **each** :

(8×5=40)

2. Explain the objectives of investment.
3. What are the functions of credit rating ?
4. Write a note on Dow Theory.





5. Explain the role of Association of Mutual Funds in India.
6. Explain the benefits of stock exchanges to the investors.
7. Explain the indices of Bombay stock exchange.
8. Mr. Shenoy is considering several investments. The risk free rate of return is currently 5.25% and the expected return for the market is 10%. What should be the required rates of return for each investment using CAPM ?

Security :	X	Y	Z	A	B
Beta :	.80	1.00	1.20	1.10	.90

SECTION – C (Twenty marks each)

Answer the following : (20×3=60)

9. Given an option to invest in Land, LIC, Post office and Gold. Which one would you choose and why ?

OR

How is Technical analysis different from fundamental analysis ? Explain the tools of technical analysis.

10. What is listing ? Explain briefly the listing procedure.

OR

What is a 'Mutual Fund' ? Discuss the various benefits of mutual fund.

11. What is port folio management ? What are the factors that a portfolio manager should keep in mind while deciding investment ?

OR

Define 'Risk'. Explain the different types of risks involved in investment.

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BBMBMC 36

Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2012 Scheme)

AUDITING

Time : 3 Hours

Max. Marks : 120

SECTION – A (2 marks each)

Answer **any ten** from the following :

(2×10=20)

1. a) What is statutory audit ?
- b) What is final audit ?
- c) What is audit programme ?
- d) What is audit file ?
- e) What is internal control ?
- f) Define vouching.
- g) What is lapping ?
- h) Write the meaning of verification of assets.
- i) Who is a first auditor ?
- j) Mention the two liabilities of a company auditor.
- k) What is auditor's report ?
- l) Give the meaning of professional ethics of an auditor.

SECTION – B (8 marks each)

Answer **any five** from the following :

(8×5=40)

2. What are the features of auditing ?
3. Write a note on voluntary audit.
4. State the merits and demerits of Interim audit.



5. Explain the areas of internal control.
6. Explain the vouching of cash payments.
7. State the objectives of verification of assets.
8. Write a note on the removal of a company auditor.

SECTION – C (20 marks each)

Answer **all** the questions :

(20×3=60)

9. Explain the preparation before the commencement of an audit.

OR

Explain continuous audit with its merits and demerits.

10. Explain the vouching of cash receipt transactions.

OR

Explain the verification and valuation of stock in trade and the auditor's duties in relation thereto.

11. Explain the liabilities of a company auditor.

OR

Explain the differences between continuous audit and final audit.

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BBMBMC 354

**Credit Based Sixth Semester B.B.M. Degree Examination, April/May 2015
(2006 Scheme)
AUDITING**

Time : 3 Hours

Max. Marks : 120

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

**SECTION – A
(2 marks each)**

1. Answer **any ten** of the following in **one** or **two** sentences **each** : **(2×10=20)**
- What do you mean by 'teaming and lading' ?
 - Define 'cost audit'.
 - Who is an 'honorary auditor' ?
 - Who are 'ghost workers' ?
 - What is 'audit in depth' ?
 - Give the meaning of collateral voucher.
 - What are errors of principle ?
 - What is a 'fraud' ?
 - What is an 'audit programme' ?
 - What are 'wasting assets' ?
 - What is test checking ?
 - What do you mean by 'contingent liability' ?

**SECTION – B
(8 marks each)**

Answer **any five** of the following :

(8×5=40)

- Compare statutory audit with private audit.
- Write a note on liabilities of an auditor.

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4. Suggest a system of internal check as regards 'wages'.
5. What are the provisions with regard to the appointment of company auditor ?
6. "Vouching is the essence of an audit". – Explain.
7. Explain the case "Leeds Estate Building and Investment Society Vs Shepherd.
8. Explain the techniques of audit.

SECTION – C
(20 marks each)

Answer should **not** exceed **six** pages **each** :

(20×3=60)

9. Define 'auditing'. Explain its objectives and significance.

OR

Explain the preparations before and procedure of audit.

10. What do you mean by internal check ? Suggest a system of internal check with respect to cash transactions.

OR

Explain verification of assets. How does it differ from vouching ? Explain the points to be borne in mind while verifying stock-in-trade.

11. What are the rights and liabilities of a company auditor ?

OR

Explain the essentials of a good system of internal check.

SECTION – B
(8 marks each)

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BBMBMC 367

**Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2012 Scheme)**

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

Time : 3 Hours

Max. Marks : 120

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

SECTION – A (2 marks each)

Answer any ten questions :

(2×10=20)

1. a) Define 'collective bargaining'.
- b) State any two objectives of CITU.
- c) What do you mean by 'wildcat strike' ?
- d) State any two causes of poor industrial relations.
- e) Mention any two preventive measures of industrial disputes.
- f) What do you mean by 'quality circle' ?
- g) Define 'workers' participation in management.
- h) What is adjudication ?
- i) State any two objectives of labour welfare.
- j) Mention any two important functions of welfare officer.
- k) What do you mean by 'autonomous work group' ?
- l) What do you mean by quality of work life ?

SECTION – B (8 marks each)

Answer any five questions :

(8×5=40)

2. What are the objectives of trade unions ?
3. Describe the essential conditions for maintaining congenial industrial relations in the present context.

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4. Explain the various benefits available to industrial workers under the ESI Act, 1948.
5. Briefly explain the measures for improving the Quality of Work Life (QWL).
6. What are the characteristics of collective bargaining ?
7. Explain the causes of indiscipline in modern industrial concerns.
8. What is code of discipline ? State the code of discipline principles.

SECTION – C (20 marks each)

Answer **all** questions :

(20×3=60)

9. Explain the important problems of trade unions in India. Suggest measures to remove these problems.

OR

What are the causes of industrial disputes ? Explain the role of conciliation officers in settlement of industrial disputes.

10. Briefly explain the advantages and disadvantages of workers' participation in management. Suggest measures for making workers' participation in management effective.

OR

What do you mean by labour welfare ? Describe the intra-mural and extra-mural welfare services provided to the employees in Indian industrial concerns.

11. a) Describe the collective bargaining process.
- b) Suprabha Co. Ltd., Mangalore has recently changed its working hours from 9 a.m. to 5 p.m., to 8 a.m. to 4 p.m. As a result, the company has witnessed increasing cases of late attendance. In spite of oral warnings to the late comers, the problem still continued and to the surprise of the management, there were cases of deliberate late attendance. The organisation has only one trade union backed up by C.I.T.U. The top management is seriously thinking of taking some punitive measures to prevent this kind of late attendance which is leading to disruption of production schedules and indiscipline.

As a HR manager what would be your suggestions to the top management to resolve this issue ?

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BBMBMC 355

**Credit Based VI Semester B.B.M Examination, April/May 2015
(2006 Scheme)**

**HUMAN RESOURCE MANAGEMENT – II (Elective)
Industrial Relations and Labour Legislation**

Time : 3 Hours

Max. Marks : 120

Note : A single answer booklet will be **provided**. **No additional sheets will be issued**. Follow the instructions **strictly**.

SECTION – A (2 marks each)

Answer **any ten** questions :

(10×2=20)

1. a) Define 'Trade Union'.
- b) State any two advantages of "Arbitration".
- c) What do you mean by quality circle ?
- d) What do you mean by imaginary grievance ?
- e) What do you mean by "social insurance" ?
- f) What do you mean by co-determination ?
- g) State any two "Intra-Mural activities of a trade union.
- h) Write the meaning of picketing.
- i) Write any two features of "Joint councils".
- j) State any two points of distinction between "suspension" and "dismissal".
- k) State any two important provision of Gratuity Act 1972.
- l) What is primary strike ?

P.T.O.



SECTION – B (8 marks each)

Answer any five questions :

(8×5=40)

2. Explain the role of "Management" in maintaining sound industrial relation.
3. Distinguish between adjudication and arbitration.
4. What are the merits of employee participation in management ?
5. Explain the different types of punishments.
6. What are the benefits provided under E.S.I. Act 1948 ?
7. Explain the different techniques of understanding employee grievances.
8. What are the objectives of collective bargaining ?

SECTION – C (20 marks each)

(20×3=60)

9. What do you mean by industrial relation ? Explain the objectives and scope of industrial relations.

OR

Define industrial dispute ? Explain the economic, managerial and legal causes of industrial disputes.

10. Define collective bargaining. Explain the essentials of a collective bargaining.

OR

What do you mean by employee discipline ? Explain the steps involved in taking disciplinary action.

11. a) Explain the duties of a labour welfare officer.
- b) K.O. C. Ltd. has recently changed its working hours from 9 A.M. – 5 P.M. to 8 A.M. – 4 P.M. As usual the company has witnessed increasing cases of late attendance. In spite of oral warnings to the late comers the problem still continued and to the surprise of the management, there were cases of deliberate late attendance. The organisation has only one trade union backed by C.I.T.U. The top management is seriously thinking of taking some punitive measures to prevent this kind of late attendance. Which is leading to disruption of production schedules and indiscipline as a HR Manager. What would be your suggestions to the top management to resolve this issue.



**Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2012 Scheme)**

**MARKETING MANAGEMENT – II (Elective)
Advertising and Sales Management**

Time : 3 Hours

Max. Marks : 120

- Instructions :** 1) A single answer booklet containing **40** pages will be issued.
2) **No** additional sheets will be issued.
3) Follow the **instructions** strictly.

SECTION – A (2 marks each)

1. Answer **any ten** from the following in **2-3** sentences **each** : **(2×10=20)**
- What is advertising copy ?
 - What is directory advertising ?
 - Write any two differences between advertising and publicity.
 - What is leaflets advertising ?
 - What is Aida model ?
 - What is store publication ?
 - What is window display ?
 - Write the meaning of propaganda.
 - What is relationship marketing ?
 - Write any two objectives of a sound compensation plan.
 - Write any two methods of remunerating salesmen.
 - State any two objectives of sales forecasting.



P.T.O.



SECTION – B (8 marks each)

Answer **any five** from the following in **not** more than **2** pages **each** :

(8x5)

2. What are the causes of failure of advertising ?
3. State the qualities of a successful salesmen.
4. What are the functions performed by modern advertising agency ?
5. Distinguish between advertising and personal selling.
6. What are the important functions of sales organization ?
7. What are the factors determining allocation of advertising budget ?
8. What are the merits and demerits of radio advertising ?

SECTION – C (20 marks each)

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

(20x3)

9. What are the objectives of salesmen training ? Explain the different methods of training salesmen.

OR

What are the objectives of advertising ? Explain the benefits of advertisement.

10. What is advertising agency ? Explain the factors considered in selection of advertising agency.

OR

Explain the different methods of measuring effectiveness of advertising.



11. a) Explain the various test used in evaluation of advertisement.
- b) The sales manager of a company had often wondered if he had the right number of sales people. In a recent review of operations, he came under severe criticism for not being able to deeply penetrate the various market segments. To his explanation, that he was understaffed, he was told to take a fresh look at whether the sales territory had been designed appropriately and also whether each salesperson had adequate work load. He looked at his database and found that the sales force serviced 6000 dealers nationally. Of these, 20 percent belonged to 'A' category, 20 percent to 'B' category and the balance to 'C' category. On the whole, there were 10,000 dealer outlets servicing the industry, of which 20 percent belonged to 'A' category, 20 percent 'B' and the balance to 'C' category. The salesmen made 10 calls a day as per details given below :
- 1) 'A' category twice a week
 - 2) 'B' category once a week
 - 3) 'C' category once a month.

For the up country markets the norms were as follows :

All 'A' and 'B' category customer's were visited once a fortnight and all 'C' category customers once a month. 40 percent of the total dealers operated in the branch headquarter town and the balance in the up-country markets. In 2009-10, sales manager had 300 working days.

The total number of sales personel he had were 60. Comment on whether the sales manager is under staffed or otherwise. Also explain the various alternatives for determining the number of sales personnel required by the company.





**Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2012 Scheme)**

COMPANY LAW

Time : 3 Hours

Max. Marks : 120

Note : A single answer booklet will be provided. **No additional sheets will be issued. Follow the instructions strictly.**

SECTION – A (2 marks each)

(2×10=20)

1. Answer any ten of the following :

- a) What is a share warrant ?
- b) What is a licensed company ?
- c) Give the meaning of blank transfer.
- d) Who are List 'B' contributories ?
- e) Who is a proxy ?
- f) Give the meaning of forfeiture of shares.
- g) Define red-herring prospectus.
- h) What are 'Right shares' ?
- i) What is a Demat account ?
- j) What is ultra-vires borrowing ?
- k) What are cumulative preference shares ?
- l) Define a company director.



SECTION – B (Eight marks each)

(8×5=40)

Answer any five :

2. Mention the special privileges enjoyed by an independent private company.
3. Distinguish between a private company and a public company.
4. Write a note on doctrine of ultra-vires.
5. Mention the provisions of the Companies Act with regard to issue of prospectus.
6. Explain the different types of resolutions.
7. Explain the qualifications and disqualifications of a company director.
8. What are equity shares ? Mention the features of equity shares.

SECTION – C (20 marks each)

(20×3=60)

9. Who is a director of a company ? What are the duties and liabilities of a company director ?

OR

Define membership in a company. Explain the different ways of acquiring membership in a company. When does a person ceases to be a member of the company ?

10. Give the meaning of allotment of shares. Explain the general provisions and special provisions governing the allotment of shares.

OR

Give the meaning of winding up of a company. Explain the different modes of winding up.

11. Define Memorandum of Association. Explain the different clauses of Memorandum of Association.

OR

Explain the corporate veil. Under what circumstances the corporate veil is lifted ?

Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2012 Scheme)

COST AND MANAGEMENT ACCOUNTING

Time : 3 Hours

Max. Marks : 120

Instruction : Support your answer with working notes wherever necessary.

SECTION – A (Two marks each)

(2×10=20)

Answer any ten of the following :

1. a) Define management accounting.
- b) What is batch costing ?
- c) What do you mean by contribution ?
- d) What do you mean by standard costing ?
- e) What is break even point ?
- f) What is work certified ?
- g) What do you mean by notional profit ?
- h) What is margin of safety ?
- i) What do you mean by abnormal loss ?
- j) What is retention money ?
- k) What do you mean by by-product ?
- l) What is variance ?

SECTION – B (Eight marks each)

Answer any five questions :

2. Explain the principles involved in taking of profit on incomplete contracts.
3. Mention any five advantages of the establishment of budgets under budgetary control.

4. XYZ Ltd. has undertaken printing job and the details for the month of January 2014 are as follows :

Production – 9000 cards

Direct materials – Rs. 15 per card

Direct labour – 4500 hours @ Rs. 18 per hour

Overheads is recovered at Rs. 9 per labour hour.

The company has received an offer for 7500 cards for February 2014. Prepare the statement to quote the price for the offer providing for 10% profit for job price.

5. A manufacturing company has supplied you the following information in respect of one of its product :

Total fixed cost Rs. 36,000

Total variable cost Rs. 60,000

Total sales Rs. 1,20,000

Units sold 40000 units

Find out :

- 1) Contribution
- 2) Break Even Point
- 3) Margin of safety
- 4) Profit
- 5) Volume of sales to earn a profit of Rs. 48,000.



6. The details given below relate to 50% activity, when the production was 500 units :

Materials : Rs. 120 per unit

Labour : Rs. 50 per unit

Expenses : Rs. 15 per unit

Factory expenses : Rs. 50,000 (40% fixed)

Administration expenses : Rs. 40,000 (60% fixed)

Prepare a flexible budget showing marginal cost and total cost for 70% activity.

7. From the following particulars calculate material variances, quantity of materials purchased is 3000 units.

Value of materials purchased is ₹ 9,000. Standard quantity of material for one ton of finished product is 25 units. Standard rate of material is ₹ 2/unit. There is no opening stock of materials closing stock of materials is 500 units. Finished production during the period is 80 tons.

8. You are required to prepare a reconciliation statement from the following information :

	₹
Net loss as per cost accounts	3,44,800
Net loss as per Financial accounts	4,32,090
Works overhead underrecovered in cost accounts	6,240
Depreciation overcharged in cost accounts	2,600
Administrative overhead recovered more in cost accounts	3,400
Interest on investment	17,500
Goodwill written off in financial books	11,400
Income tax	80,600
Stores adjustment (credit) in financial accounts	950
Depreciation on stock charged in financial accounts	13,500



SECTION – C (Twenty marks each)

(2)

Answer **any three** questions :

9. The following figures have been extracted from the financial accounts of Moontech Ltd. for the year 2014.

		₹		
Direct material	25,00,000		Legal charges	5,00,000
Direct wages	15,00,000		Dividend received	50,00,000
Factory overhead	8,00,000		Interest received	10,00,000
Administration overheads	3,50,000		Sales (60000 units)	60,00,000
Selling and distribution overheads	4,80,000		Closing stock :	
			Finished goods (2000 units)	1,60,000
Bad debt	40,000		W-I-P	1,20,000
Preliminary expenses written off	20,000			

Cost accounts for the year show that the direct material consumption is ₹ 28,00,000. Factory overhead is recovered at 20% on prime cost. Administration overhead is recovered at ₹ 6 per unit and selling and distribution overheads are recovered at ₹ 8 per unit.

Prepare profit and loss account as per financial accounts and cost sheet. Reconcile the profit as per the two records.



10. A product passes through three processes A, B and C. The normal wastage of process A – 3%, process B – 5% and process C – 8%. Wastage of process A was sold at Rs. 2/unit, that of B at Rs. 4/unit and that of C at ₹ 8/unit. 10000 units were issued to process A at a cost ₹ 1.00 per unit. The other details are as follows :

	A	B	C
Sundry materials (₹)	1,000	1,500	500
Labour (₹)	5,000	6,500	6,500
Direct expenses (₹)	1,050	1,188	1,050
Actual output (units)	9500	9100	8100

Prepare process accounts, abnormal loss and abnormal gain account.

11. Nirman Nirmithi Company Ltd. supply the following particulars relating to the Contract No. 205 are supplied to you for the year ending 30th June 2014.

	₹
Materials : Sent from stores	80,000
Supplied by suppliers	5,000
Wages	70,000
Plant installed at site	15,000
Direct expenditure	4,000
Establishment charges	3,000
Wages accrued on 30 th June 2014	500
Material returned to store	500
Work certified	2,00,000



Work uncertified	5,600
Material sold (cost ₹ 200)	300
Plant lost by fire	1,000
Value of plant on 30 th June	12,000
Material at site on 30 th June	1,000
Contract price is	5,00,000
Cash received from the contractee is	1,60,000

Prepare Contract Account, Contractee's Account and also show the relevant entries in the Balance Sheet.

12. Sugama Transport Ltd. owns a bus which runs between Delhi and Chandigarh and back for 10 days in a month. The distance from Delhi to Chandigarh is 240 kms. The bus completes the trip from Delhi to Chandigarh and back on the same day. The bus goes another 10 days in a month towards Agra and the distance between Delhi and Agra is 190 kms. This is also completed in the same day. For the rest of 4 days of its operations in a month, it runs in the local city covering a distance of 70 kms per day. Calculate the rate per passenger km. When a profit of 33.33% on takings is maintained.

Other information is as follows :

	₹
Salary of conductor per month	10,500
Token tax per month	18,000
Repairs and maintenance per month	15,000
Driver's salary per month	10,500
Cost of the bus	20,00,000



The life of the bus 10 years.

Scrap value of bus after 10 years 2,00,000

Insurance per annum (2017 Scheme) 5,400

Accountants salary per month 4,800

Lubricant oil ₹ 200 per 100 kms.

Permit fee per month 5,000

Normal capacity of bus 50 passengers

Diesel consumption 9 kms per litre at ₹ 45/litre

The bus generally is occupied 90% of the capacity between Delhi and Chandigarh, 80% between Delhi and Agra and it is always full when it runs within the city.

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BBMBMC 353

**Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2006 Scheme)
COST AND MANAGEMENT ACCOUNTING**

Time : 3 Hours

Max. Marks : 120

Instruction : Support your answer with working notes **wherever necessary.**

SECTION – A

(2×10=20)

(two marks each)

1. Answer **any ten** questions in **2 or 3** sentences **each** :

- a) What is meant by Batch costing ?
- b) What is a By-product ?
- c) What is escalation clause in contract costing ?
- d) Define management accounting.
- e) Give the name of any two industries where process costing may be applied.
- f) What is angle of incidence ?
- g) What do you mean by flexible budget ?
- h) Mention any two causes of difference between profits of financial and cost accounts.
- i) What do you mean by National expenses ?
- j) Give the meaning of standard costing.
- k) What do you mean by labour rate variance ?
- l) What is meant by cost plus contract ?



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SECTION – B
(8 marks each)

(8×5=40)

Answer **any five** questions. Answer in **not more than 2 pages each**.

2. Explain the principles involved in taking of profit on incomplete contracts.
3. Mention any five advantages of establishment of budgets under budgetary control.
4. A manufacturing concern which has adopted standard costing furnishes the following information :

Standard

Material for 70 kg. of finished product	100 kg
Price of material	Re. 1 per kg

Actual

Output	210000 kg
Materials used	280000 kg
Cost of material	Rs. 2,52,000

Calculate :

- a) Material cost variance
 - b) Material price variance
 - c) Material usage variance
5. Prepare a production budget at 60% capacity. The following data is furnished at 80% capacity :
- | | |
|----------------------------------|-------------------------|
| Actual production | – 8000 units |
| Material cost per unit | – Rs. 50 |
| Labour cost per unit | – Rs. 30 |
| Direct expenses per unit | – Rs. 20 |
| Factory overhead per unit | – Rs. 20 (60% variable) |
| Administrative overhead per unit | – Rs. 30 (70% fixed). |



6. Best Printers Ltd. has undertaken printing job and details for the month of January 2014 are as follows :

Production 6000 cards

Direct materials Rs. 10 per card

Direct labour 3000 hours at Rs. 12 per hour

Overhead is recovered at Rs. 6 per labour hour

The company is received an offer for 4500 cards for February 2014. Prepare the statement to quote the price for the offer providing 10% profit for job price.

7. A manufacturing company has supplied you the following information in respect of one of its products :

Total fixed cost Rs. 18,000

Total variable cost Rs. 30,000

Total sales Rs. 60,000

Units sold 20000 units

Find out :

- 1) Contribution
- 2) Break-even point
- 3) Margin of safety
- 4) Profit
- 5) Volume of sales to earn a profit of Rs. 24,000.

8. Prepare a Job Cost Sheet for the following :

Materials Rs. 4,010

Wage : Dept. A 60 hours at Rs. 30

 Dept. B 40 hours at Rs. 20

 Dept. C 20 hours at Rs. 10

Variable overhead Rs. 2 per hour, Fixed overhead Rs. 30,000 for 10000 hours, Profit 20% on sales.



SECTION – C

(20×3=60)

(20 marks each)

Answer any three questions.

9. Popular Co. Ltd. undertook a contract for Rs. 6,00,000 on 1 Jan. 2014 and completed it on 31 March 2015. You are given the following information about the contract :

	2014 (₹)	2015(₹)
Materials	2,20,000	10,000
Wages	1,40,000	25,000
Other expenses	14,000	5,000
Special plant	80,000	—
Materials at site	29,000	—
Work certified	5,20,000	—
Work uncertified	50,000	—
Materials returned to stores	—	2,000

Plant is returned to stores at the value ascertained after charging 20% depreciation annually on the original cost. 80% of the work certified is received in cash every year. Prepare Contract Account for the year 2014, 2015 and also show how these items will appear in the Balance Sheet.

10. The product of a company passes through distinct processes to completion. From part experience, it is ascertained that wastage is incurred in each process as under :

Process 'A' — 2%

Process 'B' — 5%

Process 'C' — 10%

The wastage of Process 'A' and 'B' is sold at Rs. 20 per 100 units and that of Process 'C' at Rs. 160 per 100 units.



Following is the information regarding the production in March 2015 :

	Process 'A'	Process 'B'	Process 'C'
	Rs.	Rs.	Rs.
Materials	24,000	16,000	8,000
Direct labour	32,000	24,000	12,000
Machine expenses	4,000	4,000	6,000
Other factory expenses	7,000	7,600	8,400

20000 units have been issued to Process 'A' at a cost of Rs. 40,000. The output of each Process has been as under :

Process 'A' 19500 units

Process 'B' 18800 units

Process 'C' 16000 units

There was no stock in any Process in the beginning and at the end of March. Prepare Process A/cs, Abnormal loss, Abnormal gain A/c.

11. A city municipality arranges for the removal of its garbage by means of motor vehicle transport. The following vehicles are maintained :

No. of vehicles	Specifications
20	5 tons lorries
30	4 tons lorries
50	3 tons lorries
40	2 tons lorries

On an average each lorry makes six trips a day and each trip covers an average distance of five kms. Each lorry carries garbage weighing only 60% of its capacity. Taking an average 20% of the lorries are laid up for repairs everyday. The conservancy work is carried on daily.



The following are monthly charges incurred on the conservancy transport : salary of the superintendent (motor vehicles department) Rs. 2,000, salaries of 3 transport foreman Rs. 500 each, wages of drivers Rs. 150 each for 140 drivers, wages of mazdoors (Labourers) Rs. 75 each for 280 Mazdoors, consumable stores Rs. 16,000, petrol Rs. 60,000, lubricants Rs. 15,000. Replacement of tyres, tubes and other parts and accessories Rs. 5,000, garage rent and rates Rs. 3,000, gas and electric charges Rs. 1,000, miscellaneous expenses Rs. 12,000.

There is a repair workshop attached to the motor vehicles department which also carries out repairs for office cars and other vans and vehicles. Fifty percent of the superintendent's salary is debited to the workshop and the stipulated charges to be borne by the conservancy transport department for the services of the workshop are Rs. 10,000 p.m.

Assuming that a month consist of 30 days, calculate the operating cost per ton km. for removal of garbage.

12. The following figures have been extracted from the financial accounts of Moomtech Ltd. for the year 2015 :

Direct material	Rs. 25,00,000
Direct wages	Rs. 15,00,000
Factory overhead	Rs. 8,00,000
Administrative overhead	Rs. 3,50,000
Selling and distribution overheads	Rs. 4,80,000
Bad debts	Rs. 40,000
Preliminary expenses written off	Rs. 20,000
Legal charges	Rs. 5,000



Dividend received	Rs. 50,000
Interest received	Rs. 10,000
Sales (60000 units)	Rs. 60,00,000
Cl. stock – finished goods (2000 units)	Rs. 1,60,000
W.I.P.	Rs. 1,20,000

Cost accounts for the year show that the direct material consumption was Rs. 28,00,000. Factory overhead is recovered at 20% on prime cost.

Administration overhead is recovered at Rs. 6 per unit and selling and distribution overhead recovered at Rs. 8 per unit.

Prepare Profit and Loss Account, Cost Sheet and Reconciliation Statement as on that date.

Reg. No.

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SECTION - C
(20 marks each)

BBMBMC 351

**Credit Based VI Semester B.B.M. Degree Examination, April/May 2015
(2006 Scheme)
INSURANCE AND RISK MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

**SECTION – A
(Two marks each)**

Answer **any ten** questions in **two** or **three** sentences **each** : **(2×10=20)**

1. a) Distinguish between risk and uncertainty.
- b) State the situation in which a company may go for risk retention.
- c) What is the nature of American option ?
- d) What is MIBOR ?
- e) What is Re-insurance ?
- f) Name any four private life insurers in India.
- g) Give the meaning of crop insurance.
- h) What do you mean by fair premium ?
- i) What is an interest rate swap ?
- j) Who are actuaries ?
- k) What do you mean by Hedging?
- l) Give the meaning of joint life policy.

**SECTION – B
(8 marks each)**

Answers should **not** exceed **two** pages. Answer **any five** of the following : **(8×5=40)**

2. Briefly explain the essentials of insurance contract.
3. Explain the various types of pure risk.
4. Write a note on fire insurance claim.
5. What are swaps ? What are its features ?
6. What do you mean by margin money ? What are the different types of margins ?
7. Explain the different types of rating in insurance.
8. Brief the marine products.

P.T.O.



SECTION - C
(20 marks each)

Answer the following. Answer should **not** exceed **six** pages. (20×3=60)

9. Discuss the scope and principles of insurance.

OR

What do you mean by risk management ? Explain the process of risk management.

10. Distinguish between forward contracts and future contracts. Explain the different methods of settlement of future contracts.

OR

Explain the stages in the new product development in insurance.

11. Give a detailed account of claim management in life insurance.

OR

Explain the objectives and principles of underwriting in insurance. Discuss underwriting in life insurance.

SECTION - B
(8 marks each)

(8×3=24)

P.T.O.