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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Indirect Taxes **Course Code: BCM503**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 VERY SHORT ANSWER QUESTIONS – *Attempt All.* **(2x10 = 20 Marks)**

- **a.** Explain the term RCM.
- **b.** Define e-way bill. CO-1
- **c.** What is dual GST model?
- **d.** How many copies of delivery challans are required to be prepared?
- **e.** Define the term E-commerce.
- **f.** Which of the tax has not subsumed in GST? BASIC CUSTOM DUTY
- **g.** Define exempted supply. CO-2
- **h.** Enumerate two products which do not fall under the purview of GST.
- **i.** What are actionable claims?
- **j.** What is the threshold limit for GST registration?

Q.2 SHORT ANSWER QUESTIONS – *Attempt any Five.* **(4x5 = 20 Marks)**

- **a.** What are various types of direct and indirect taxes prevailing in the country?
- **b.** Differentiate between goods and services as per GST act CO-3
- **c.** Explain advantages and disadvantages of GST.
- **d.** Explain the term zero rated supply under GST.
- **e.** Differentiate credit and debit note?
- **f.** Explain situations where refund can be claimed under GST? CO-4
- **g.** Explain the term supply in accordance with GST. Explain the parameter of supply.

Q.3 STRUCTURED QUESTIONS – *Attempt any Three.* **(3x10 = 30 Marks)**

- **a.** Differentiate between composite and mixed supply. CO-4
- **b.** How to calculate taxable value and tax liability? Explain with example.
- **c.** Discuss the shortcomings of indirect tax structure prior to GST. CO-5
- **d.** Differentiate between tax invoice and bill of supply.

Q.4 Case Analysis/ Situation Based QUESTIONS – *Attempt any Two.* **(2x15 = 30 Marks)**

- **a.** What is an appeal under GST? What is the procedure for filing appeal under GST? CO-5
- **b.** Discuss the process of refund under GST.
- **c.** Explain in detail various returns to be filed under GST. CO-6

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Advanced Financial Accounting & Reporting **Course Code: BCM511**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 VERY SHORT ANSWER QUESTIONS – *Attempt All.* **(2x10 = 20 Marks)**

a. Define the term accounting standards. CO-1
b. Define the term IFRS. CO-1
c. Write the full form of IASB. CO-1
d. Ind AS-10 provides guidelines for which aspect of accounting. CO-1
f. Write the full form of ICAI. CO-1
e. Name the standard which deals with borrowing costs. CO-2
f. Which accounting standard deals with earning per share CO-2
g. Employee benefits are dealt in which accounting standard? CO-2
h. What Presentation of financial statement includes? CO-2
i. Ind AS implemented in which year in first phase. CO-2
j. IAS 33 deals with which accounting area. CO-2

Q.2 SHORT ANSWER QUESTIONS – *Attempt any Five.* **(4x5 = 20 Marks)**

a. Differentiate between Indian accounting standards with IFRS. CO-3
b. Define Ind AS 12 CO-3
c. Differentiate between basic and diluted earnings per share. CO-3
d. Define Ind AS 22. CO-4
e. How does Ind AS-1address the presentation of comparative information in financial statements. CO-
f. Differentiate between Indian accounting standards with IFRS. CO-4
g. Explain the scope of revenue recognition concept. CO-4

Q.3 STRUCTURED QUESTIONS – *Attempt any Three.* **(3x10 = 30 Marks)**

a. Explain objective, scope and applicability of Ind AS-33. CO-4
b. State any two IFRS and its advantages. CO-4
c. How does Ind AS 12 determine the number of deferred tax assets and liabilities? CO-4
d. Explain the timeline of implementation of second phase of Ind AS. CO-5

Q.4 Case Analysis/ Situation Based QUESTIONS – *Attempt any Two.* **(2x15 = 30 Marks)**

a. Discuss in details the differences & similarities IFRS, US GAAP and Indian GAAP. CO-5
b. Relevance and challenges in the implementation of convergence of IAS. CO-5
c. What are the disadvantages of convergence to IFRS? CO-6

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Financial Services Marketing **Course Code: BCM502**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 VERY SHORT ANSWER QUESTIONS – *Attempt All.* **(2x10 = 20 Marks)**

a. What are some contemporary trends in the financial services industry? **[CO-1]**

b. Name one innovative strategy in the financial services industry for creating unique products. **[CO-1]**

c. Can you recall an example of a financial company successfully improving service quality? **[CO-1]**

d. Provide an example of a financial company implementing green marketing and CSR initiatives. **[CO-1]**

e. What's a challenge in the evaluation stage for financial products? **[CO-1]**

f. What's a key benefit of effective segmentation? **[CO-2]**

g. How do financial intermediaries assist in marketing financial products? **[CO-2]**

h. What challenges arise in evaluating financial service alternatives? **[CO-2]**

i. How does digital transformation affect marketing in financial services? **[CO-2]**

j. How do data breaches affect trust, loyalty, and regulations in finance? **[CO-2]**

Q.2 SHORT ANSWER QUESTIONS – *Attempt any Five.* **(4x5 = 20 Marks)**

a. Apply the principles of segmentation, targeting, and positioning to create a marketing plan for a specific financial service, ensuring it aligns with the institution's overall strategy. **[CO-3]**

b. Apply influencer marketing to describe how a credit card company can collaborate with a finance influencer to promote a new credit card offering. **[CO-3]**

c. Apply demographic and financial data to identify potential customer segments for a new financial product, and suggest marketing strategies tailored to each segment. **[CO-3]**

d. How can technology and data be leveraged for personalized selling and relationship management? **[CO-3]**

e. Analyze the role of social media in Indian financial service marketing. **[CO-4]**

f. Analyze the impact of digital transformation on traditional financial services and assess the challenges it presents to established institutions. **[CO-4]**

g. What are the advantages and disadvantages of digital distribution channels in the financial services industry? **[CO-4]**

(3x10 = 30 Marks)

Q.3 STRUCTURED QUESTIONS – *Attempt any Three.*

a. Analyze the impact of cognitive biases and behavioral economics concepts, such as loss aversion and confirmation bias, on financial decision-making. [CO-4]

b. Analyze the role of the consumer decision-making process in the financial services industry and explain why understanding this process is crucial for financial institutions. [CO-4]

c. Evaluate the advantages of customer segmentation in the financial services sector and discuss how it can lead to improved marketing effectiveness. [CO-5]

d. Evaluate the significance of financial intermediaries in the marketing process and discuss how they add value in assisting customers with complex financial decisions. [CO-5]

(2x15 = 30 Marks)

Q.4 CASE ANALYSIS/ SITUATION BASED – *Attempt any Two.*

a. Why is product development important in staying relevant and meeting evolving customer needs? [CO-5]

b. What are the primary drivers motivating financial institutions to embrace digital transformation? [CO-6]

c. Explain the significance of product development in the financial services industry in terms of staying relevant and meeting the evolving needs of customers. [CO-6]

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Company Law **Course Code: BCM501**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 VERY SHORT ANSWER QUESTIONS – *Attempt All.* **(2*10 = 20 Marks)**

a. What is corporate personality?CO1
b. Define Public Company.CO1
c. What is Shares.CO2
d. Define the term Prospectus.CO1
e. Explain the classification of Companies.CO2
f. Who is Promoters in a Company?CO1
g. Define Share buyback.CO2
h. What is Constructive notice?CO2
i. Define the term Indoor management.CO2
j. What is one person company?CO1

Q.2 SHORT ANSWER QUESTIONS – *Attempt any Five.* **(4*5 = 20 Marks)**

a. Explain the duties Directors .CO2
b. What is Memorandum of Association?CO2
c. What is meeting and its types?CO1
d. Explain the difference between transfer and transmission of Shares.CO2
e. Explain the provisions for the appointment of women directors.CO2
f. What is Share buyback?CO1
g. Explain different modes of Winding up.CO2

Q.3 STRUCTURED QUESTIONS – *Attempt any Three.* **(3*10 = 30 Marks)**

a. "Illustrate in detail the significance and components of the Memorandum of Association in the formation and operation of a company. How does the MOA differ from the Articles of Association, and what specific information must be included in the MOA according to company law regulations in your jurisdiction?"CO3

b. "Discuss the concept of 'Doctrine of Ultra Vires' in relation to the Memorandum of Association. How does this doctrine limit a company's actions, and what are the potential consequences if a company acts beyond the scope outlined in its MOA? Provide case examples to illustrate the application of this doctrine."CO3

c. "A Promoter's fiduciary duties include the duty of loyalty and the duty of care toward the company and its shareholders."
Question: Define the fiduciary duties of Promoters in a company and elaborate on how these duties can impact their decision-making processes.CO4
Recognize the duties and responsibilities of promoter in the company. Describe the term incorporation of company. Briefly explain the advantages after incorporation.

d. Describe the process of incorporation in company law. Briefly explain the advantages after incorporation.CO4

(2*15 = 30 M...) Rol. No. [5]

Q.4 Case Analysis/ Situation Based QUESTIONS – *Attempt any Two.*

a. **Evaluate the Case Study: Consequences of Winding Up**
Company XYZ, a small manufacturing business, has recently undergone a voluntary winding-up process due to financial difficulties. The directors and shareholders have successfully completed the process. Now, they are facing the consequences of winding up. Analyze the following aspects:

1. **Financial Consequences**: Discuss the financial implications for Company XYZ and its stakeholders, including shareholders, creditors, and employees, after the winding-up process is completed.
2. **Asset Distribution**: Explain how the company's assets are distributed among creditors and shareholders, taking into account the order of priority for payments.
3. **Employee Impact**: Assess the impact on the company's employees, including their rights a[nd] entitlements during and after the winding-up process.

b. **Case Study:2 Director Responsibilities in a Firm**
XYZ Corporation is a medium-sized manufacturing company with a board of directors. As part of their roles, the directors are responsible for making strategic decisions, overseeing the company's operations, and ensuring its compliance with laws and regulations. Analyze the following scenario focusing on the directors' responsibilities:

1. **Strategic Decision-Making**: The directors are considering a significant expansion into international markets. They need to assess the potential risks and benefits of this expansion. Discuss the responsibilities of the directors in making informed strategic decisions and mitigating potential risks.
2. **Financial Oversight**: The company's financial performance has been declining over the pas[t] year. The directors must determine the underlying causes and take action to address them. Describe the financial responsibilities of the directors, including financial reporting, budgeting, and monitoring.

c. ABC Corporation is a well-established company with a board of directors overseeing its operations. Mr. Smith, one of the directors, has a substantial shareholding in the company. He decides to sell hi[s] shares to Mr. Johnson, a prospective investor.
However, during the share transfer process, there is a hiccup. The Articles of Association of ABC Corporation clearly state that any share transfer must be approved by a resolution passed in a gener[al] meeting of shareholders. Mr. Smith and Mr. Johnson are both aware of this requirement but mistakenly assume that Mr. Smith's directorship and position on the board gives him the authority t[o] transfer his shares directly to Mr. Johnson without the need for shareholder approval.
Question 1: Can Mr. Smith and Mr. Johnson proceed with the share transfer without seeking approval from a general meeting of shareholders based on their understanding of Mr. Smith's positi[on] as a director?
Question 2: If they proceed with the transfer without shareholder approval and the company later discovers this violation of its Articles of Association, what legal consequences might they face, and how would the principle of indoor management apply in this situation?

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Corporate Tax Planning **Course Code: BCM512**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 VERY SHORT ANSWER QUESTIONS – *Attempt All.* (2x10 = 20 Marks)

a. Recall the computation of corporate tax liability and the factors involved. CO1

b. Define Minimum Alternate Tax (MAT). CO1

c. Recall the tax on distributed profits of domestic companies and its implications. CO1

d. Define "tax on income distributed to unit holders" and explain when it applies. CO1

e. Recall the implications of tax concessions and incentives on corporate decisions, such as setting up a new business. CO1

f. Discuss the significance of Minimum Alternate Tax (MAT) in corporate taxation. CO2

g. Explain the tax implications of domestic companies. CO2

h. Discuss the tax on LTCG and its treatment while calculate total tax liability of a company. CO2

i. Explain how tax concessions and incentives can influence corporate decisions, such as choosing location of a new business. CO2

j. Discuss the impact of tax planning on financial management decisions, including capital structure choices. CO2

Q.2 SHORT ANSWER QUESTIONS – *Attempt any Five.* (4x5 = 20 Marks)

a. Solve a case study involving the carry forward and set off of losses under Section 79. CO3

b. Apply tax planning concepts to optimize dividend policy for a specific company. CO3

c. Calculate the Book Profit for a corporation and discuss its implications. CO3

d. Solve a problem related to tax planning for investments and capital gains. CO3

e. Examine the financial management decisions that influence a company's dividend policy from a tax perspective. CO4

f. Analyze the implications of issuing bonus shares on a company's financial statements and tax position. CO4

g. Examine a case study on tax planning for capital investments and evaluate the financial benefits. CO4

Q.3 STRUCTURED QUESTIONS – *Attempt any Three.* (3x10 = 30 Marks)

a. Analyze the financial statements of a company, considering comprehensive income reporting. Assess how this reporting affects the company's financial position and its tax planning strategies. CO4

b. From the following information compute the tax payable by X Ltd. For the assessment Year 2022-23:

	Rs.
1. Business income from sale of securities	8,50,000
2. Business income from integrated business of food grains	12,00,000
3. Long-term capital gains	6,00,000
4. Securities transaction tax paid	3,50,000

(not deducted from business income). CO4

c. Evaluate the financial implications of Minimum Alternate Tax (MAT) for a specific company. Assess whether MAT is fair and effective in achieving its objectives. CO5

d. "Tax incentives have been provided for amalgamation to amalgamating company, the shareholders of amalgamating company and the amalgamated company." Appraise the policy of tax incentives provided to the amalgamating company and its shareholders. CO5

Q.4 Case Analysis/ Situation Based QUESTIONS – *Attempt any Two.* **(2x15 = 30 Marks)**

a. A domestic company submits the following particulars of its income of the previous year ended March 31, 2022:

	Rs.
1. Profits of business after deduction of donations to approved charitable institution	3,40,000
2. Donation to charitable institution by cheque	50,000
3. Interest on Govt. securities	20,000
4. Dividend from a domestic company (Gross)	60,000
5. Long term capital gain	1,00,000
6. Book profit u/s 115JB	10,00,000

During the financial year 2021-22 the company deposited Rs. 50,000 in Industrial Development Bank of India (IDBI). The company distributed a dividend of Rs. 1,00,000 on 6-9-2021. Compute the taxable income of the company and tax payable by it for the Assessment Year 2022-23. CO5

b. Formulate a corporate tax compliance plan that addresses the prevention of tax evasion scenarios, covering legal, financial, and reputational risks. CO6

c. Formulate a dividend policy and bonus shares issuance strategy for a company, considering the interests of shareholders and the maximization of shareholder value. Provide a detailed plan for implementation. CO6

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Security Analysis & Portfolio Management   **Course Code: BCM532**

Time allotted: 03 Hours   **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 VERY SHORT ANSWER QUESTIONS – *Attempt All.* **(2x10 = 20 Marks)**

- **a.** What does the Strong Form of the Efficient Market Hypothesis imply? CO1
- **b.** Recall the key objectives of investment. CO1
- **c.** Define the term "asset allocation" in investment. CO1
- **d.** Explain the key factors considered in industry analysis. CO1
- **e.** Explain the differences between primary and secondary markets. CO1
- **f.** Explain the importance of diversification in portfolio management. CO2
- **g.** Define market capitalization and its relevance in investment. CO2
- **h.** Discuss the core principles of value investing. CO2
- **i.** Discuss the impact of liquidity risk on investment assets. CO2
- **j.** Discuss the implications of the Efficient Market Hypothesis (EMH). CO2

4

Q.2 SHORT ANSWER QUESTIONS – *Attempt any Five.* **(4x5 = 20 Marks)**

- **a.** Apply the Capital Asset Pricing Model (CAPM) to determine the required rate of return for an asset. CO3
- **b.** Apply the Semi-Strong Form of the Efficient Market Hypothesis to analyze information efficiency. CO3
- **c.** Apply Treynor's measure to assess the performance of a managed portfolio. CO3
- **d.** Analyze the impact of geopolitical events on investment strategies. CO3
- **e.** Examine the factors that affect the benchmarking of a portfolio to market indices.CO4
- **f.** Examine the potential consequences of changes in government policies on investment portfolios. CO4
- **g.** Examine the relative valuation of two companies in the same industry. CO4

Q.3 STRUCTURED QUESTIONS – *Attempt any Three.* **(3x10 = 30 Marks)**

- **a.** Analyze the principles of Modern Portfolio Theory and apply them to construct an optimal investment portfolio, considering various asset classes. Provide a detailed breakdown of your portfolio and explain the rationale behind your asset allocation. CO4
- **b.** Examine the potential impact of geopolitical events, such as trade tensions or political instability, on international investments. Analyze how different asset classes and regions may be affected and suggest strategies for managing associated risks. CO4
- **c.** Evaluate the role of diversification in risk management within a portfolio. Assess the optimal asset allocation for achieving the desired risk-return profile. CO5
- **d.** Critique the suitability of value investing strategies in different market conditions, such as bull markets, bear markets, and recessions. Discuss the potential limitations and risks associated with value investing. CO5

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Q.4 Case Analysis/ Situation Based QUESTIONS – *Attempt any Two.* **(2x15 = 30 Marks)** CO5

- **a.** Develop a customized investment solution for a client looking to achieve specific environmental, social, and governance (ESG) goals. Write an investment proposal that aligns with the client's values.
- **b.** Create a comprehensive risk assessment for an investment portfolio, considering various types of risk, including market risk, credit risk, and liquidity risk. Provide recommendations for risk mitigation.CO6
- **c.** Write a business plan for launching an investment advisory firm, outlining the firm's mission, services, marketing strategy, and compliance measures. CO6

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Income Tax **Course Code: BCM504**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1 Attempt all questions (CO1,2) **(2x 10=20)**

a. What are the Types of Residents?

b. Differentiate between Rent Free House and HRA.

c. Write down the examples of tax free perquisites.

d. Distinguish between *business* and *profession.*

e. Explain the heads of income.

f. How many types of "Person" are here as per Income Tax Law?

g. What do you understand by the term "Assesse"?

h. How would you differentiate between "Assessment Year" and "Previous Year"?

i. What are the various types of Agricultural Income?

j. What do you understand by Non-Agricultural Income from land?

Q.2 Attempt any *five* questions (CO3,4) **(4x5=20)**

a. Ramesh resides in Delhi. He gets a basic salary of Rs. 400000 and Dearness Pay Rs. 400000 and HRA of Rs. 300000 per annum. He pays a rent of Rs. 360000 per annum. Determine the amount of HRA chargeable to tax.

b. Mr. A left for Indonesia on 15th March, 2017 after staying in India for 15 years. He came back on 31st August, 2019. Determine his residential status for the Assessment year 2022-23.

c. Mr. Z, a bank officer receives Rs.52000 per month as salary and Rs. 2000 per month as DA. He is also getting entertainment allowance of Rs. 1600 per month and bonus equal to 3 months' pay. He resides in a house taken on rent by the bank, whose rent is Rs. 8000 per month. Compute his income under the head salaries for the AY 2022-23.

d. Compute agricultural income on the basis of following particulars:

a) Rent of agricultural land Rs. 120000
b) Land revenue paid to State Government Rs. 12000
c) Interest on loan taken to purchase agricultural land Rs. 20000
d) Collection charges on recovery of agricultural rent Rs. 2000
e) Interest on arrears of land revenue received from tenant Rs. 34000

e. What are the different categories into which assesses are divided with regard to residence? Give a brief account of each of them.

f. Discuss the deductions allowed from annual value of house property.

g. Basic pay Rs. 20,000 p.m., Dearness Pay @ 10% of basic pay, Commission based on fixed percentage of turnover Rs. 1,20,000 for the whole year. House rent allowances. 5,000 p.m., Actual rent paid by the assesse Rs. 4,000 p.m., House situated in Mumbai. Compute HRA

Q.3 **Attempt any *three* questions (CO 4,5)**

a. Discuss the method of computing value of Rent Free House under the head 'Salaries'

b. Distinguish between "Perquisite" and "Allowance" with suitable illustrations.

c. Define 'Annual Value' and state the deductions that are allowed from the annual value in computing the income from *house property*. Apply imaginary figures in support of your answer.

d. What is *Income Tax*? What are the basis and procedure of charging *Income Tax*?

Q.4 **Attempt any *two* questions (CO5,6)** **(2x15=30)**

a. Mr. Y owner of a big house. He is employed in ADW College, Agra on a monthly salary of Rs. 16,000 p.m., Municipal valuation of his house is Rs. 10,000. He has let out 1/3 portion of the house on a monthly rent of Rs. 700 and occupies. Remaining 2/3 portion for his own residence. He paid Rs 15,000 municipal taxes in respect of the whole house. Compute his total income from the head 'Income from house property' for the assessment year 2023-24.

b. Shri Krishna Prasad, the proprietor of a flour mill, has prepared the following Profit & Loss account for the year ending 31st March, 2023. You are required to compute his income from business and his gross total income for the Assessment Year 2022-23 :

PROFIT & LOSS ACCOUNT

PARTICULARS	Rs.	PARTICULARS	Rs.
To Trade Expenses	450	By Gross Profit	235900
To Establishment Charges	2200	By Dividends from a Co-operative Society	2600
To Rent, Rates & Taxes	1400	By Rent from Property	500
To Discount & Allowance	200	By Bad debts recovered	2000
To Income tax	700	(Allowed as a deduction in an earlier year)	
To Interest	1450		
To Postage Charges	100		
To Gifts and Presents for publicity	125		
To Fire Insurance Premium	250		
To Charities	375		
To Donations	400		
To Repairs and Renewals	250		
To Audit Fees	250		
To Net Profit transferred to Capital Account	232850		
	241000		241000

c. Mr. Hari Prasad is working in a cement factory in Jaipur. He gets basic pay of Rs. 70000 per month, DA Rs.5000 per month, Entertainment Allowance Rs. 1500 per month and education allowance Rs. 350 per month for a child. He has been provided with a rent-free house by the mill, the fair rent of which is Rs. 200000 per annum. He has also been provided by the mill with a facility of free furniture costing Rs. 40000 and refrigerator costing Rs. 8000. The mill has provided him two small cars, the expenses relating to cars are borne by the mill. Other information relating to cars are: Cost of each car Rs. 300000, salary of each driver Rs. 5000 per month. Expenses- car 1 Rs. 70000 per annum car 2 Rs. 50000 per annum. Rs. 15000 for medical expenses of family members in a private hospital were reimbursed by the mill. The mill has provided the amenity of free lunch and refreshment in office. The cost of which is Rs. 60 per day and Rs. 20 per day respectively for 250 days. He as well as mill contributes 14% of the basic pay and half of the dearness allowance towards RPF. Compute Mr. Ram Singh's salary for AY 2023-24.

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END SEMESTER EXAMINATION, DECEMBER - 2023

B. Com. (Hons.) Semester - V

Course Name: Working Capital Management **Course Code: BCM533**

Time allotted: 03 Hours **Max. Marks: 100**

Note: Read all the instructions carefully.

Q.1		VERY SHORT ANSWER QUESTIONS – *Attempt All.* (2x10 = 20 Marks)	CO
	a.	Explain gross working capital.	1,2
	b.	Define working capital.	1,2
	c.	What do you mean by management of cash?	1,2
	d.	Define safety stock.	1,2
	e.	What are the costs of holding inventory?	1,2
	f.	Parties involve in factories?	1,2
	g.	What are the costs associated with receivables?	1,2
	h.	What is MPBF.	1,2
	i.	What is the input output ratio?	1,2
	j.	Define factoring.	1,2

Q.2		SHORT ANSWER QUESTIONS – *Attempt any Five.* (4x5 = 20 Marks)	
	a.	Explain briefly the factors which are to be taken into consideration while planning the working capital requirement of a firm.	2,3
	b.	Explain Temporary working capital and source temporary working capital.	2,3
	c.	Write a short note on ABC analysis.	2,3
	d.	What are the ratios used in analyzing the efficiency and liquidity in management of working capital?	2,3
	e.	Explain the motive for holding cash.	2,3
	f.	Explain the role of credit terms in credit policy.	2,3
	g.	Define just in time inventory system.	2,3

Q.3	STRUCTURED QUESTIONS – *Attempt any Three.*		(3x10 = 30 Marks)
	a.	When will the working capital be negative? What does it signify in terms of the financial health of an enterprise?	
	b.	Explain Miller-Orr cash management model.	3
	c.	Following are the financial extracts of *X Ltd.(Automobile Company)* and *Y Ltd.(Pharmaceutical Company)* for the FY 2011-12	3

Particulars	X	Y
Closing Stock	250	10
Sundry Debtors	150	20
Bills Receivables	250	35
Cash & Bank	800	90
Prepaid Expenses	100	05
Creditors	400	50
Bank Overdraft	300	35
Total Sales	4000	500
Total Purchases	1000	175

Answer the following:

a) What are your observations regarding the *liquidity position* of both the companies?

b) Contrast between the overall *working capital management* of both the firms.

d. Ten items kept in inventory by the School of Management Studies at State University are listed below.Which items should be classified as 'A' items, 'B' items and 'C' items? What percentage of items is in each class? What percentage of total annual value is in each class? 3

Item	Annual usage	Value per unit (rRs.)
1	200	40
2	100	360
3	2000	0.20
4	400	20
5	6000	0.04
6	1200	0.80
7	120	100
8	2000	0.70
9	1000	1
10	80	400

Q.4 Case Two.

Q.4	Case Analysis/ Situation Based QUESTIONS – *Attempt any Two.*	(2x15 = 30 Marks)	
a.	What are 'Factoring of book debts' and its types? Briefly explain the mechanism of factoring and parties involved in it.		3,4, 5
b.	Prepare an estimate of net working capital requirement for the WCM Ltd. adding 10% for contingencies. Its permissible bank borrowing as per 1st and 2nd method of lending under the Tandon Committee norms. from the information given below: Estimated cost per unit of production Rs.170 includes raw materials Rs. 80, direct labour Rs. 30 and overheads (exclusive of depreciation) Rs. 60. Selling price is Rs.200 per unit. Level of activity per annum 1,04,000 units. Raw material in stock 4 weeks Work-in-progress (assume 50% completion stage) : 2 weeks Finished goods in stock :4 weeks Credit allowed by suppliers :4 weeks Credit allowed to debtors :8 weeks Lag in payment of wages :1.5 weeks Cash at bank is expected to be Rs. 25,000. You may assume that production is carried on evenly throughout the year (52 weeks) and wages and overheads accrue similarly. All sales are on credit basis only. You may state your assumptions, if any.		3,4, 5
c.	What are the various tools and techniques available with the manager for managing his inventory?		3,4, 5

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