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M – 7236

Reg. No. : .....

Name : .....

Third Semester M.Com. Degree Examination, March 2022

Elective: FINANCE

Paper I: CO 231U : INCOME TAX PLANNING AND MANAGEMENT  
(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer all questions. Each question carries 2 marks.

1. What is Finance Act?
2. State the provisions regarding rebate of income tax.
3. What is the need for tax planning?
4. What is AMT?
5. What is 'TRACES'?
6. What is demerger?
7. What are the privileges enjoyed by a working partner in tax assessment?
8. What is transfer pricing?
9. Who can obtain advance ruling?
10. What is meant by GAAR?

(10 × 2 = 20 Marks)

P.T.O.



SECTION – B

Answer any **five** questions. **Each** question carries **5** marks.

11. Explain the Accounting standards relating to tax.
12. State the highlights of Black Money Act, 2005.
13. Explain the tax planning methods under the head salary.
14. What are the salient features of assessment of AOP?
15. Explain special provision of Income Tax Act in case of shipping business.
16. What are the tax considerations in case of repair or replace decisions?
17. Describe the procedure for advance rulings as formulated by Government.
18. Explain with example:
  - (a) Tax Avoidance
  - (b) Tax Management.

**(5 × 5 = 25 Marks)**

SECTION – C

Answer any **two** questions. **Each** question carries **15** marks.

19. Compare partnership firm and company form of business organisation on the basis of tax incentives available under Income Tax Act.
20. Explain the provisions of the Income Tax Act on advance payment of tax.

21. An assessee, who carries on a business, requires a machinery costing Rs.1,00,000. This machinery has a life of 5 years. Decide which one is a better alternative - buy or lease - in the following situation:

The Rate of Depreciation is 15%. Tax Rate: 30.9% Cost of Capital: 14%.

In case, the machinery is taken on lease:

Lease Cost: Rs.34,000 per annum for 5 years.

PVF table is given below @ 14% for next 5 years:

Year	1	2	3	4	5
	0.877	0.769	0.675	0.592	0.519

22. Mr. Kiran is offered an employment by G Co. Ltd., Karur, with the following two alternative packages:

	I	II
1. Salary	5,40,000	6,60,000
2. D.A.	4,20,000	3,00,000
3. Project allowance	72,000	72,000
4. H.R.A. (Rent payable Rs.1,56,000)	90,000	90,000
5. Education allowance for one child Cost of education of a child in employer's school	1,800	1,800
6. Helper allowance (Estimated expenditure 8,000)	7,500	7,500
7. Medical allowance Reimbursement of medical bills upto	12,000	12,000
8. LED TV	40,000	
Laptop		40,000

Which of the alternative should Mr. Kiran opt keeping in view his tax liability?

(2 × 15 = 30 Marks)

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**Third Semester M.Com. Degree Examination, March 2022**  
**Paper II : CO 232 F – SECURITY ANALYSIS AND PORTFOLIO**  
**MANAGEMENT**

**(2018 Admission Onwards)**

**Elective : Finance**

Time : 3 Hours

Max. Marks : 75

**PART – A**

Answer **all** questions. Each question carries **2** marks.

1. Define fundamental analysis.
2. What do you mean by moving average convergence divergence?
3. What do you mean by decline index?
4. What do you mean by Yield Till Maturity (YTM)?
5. What do you mean by deep discount bond?
6. Define risk.
7. Define portfolio management.
8. What do you mean by efficient portfolio?
9. Define Capital Market Line.
10. What do you mean by constant ratio plan?

**(10 × 2 = 20 Marks)**

P.T.O.



PART – B

Answer any **five** questions. Each question carries **5** marks.

11. Explain the industry wide factors relating to fundamental analysis.
12. Explain the various assumptions of efficient market hypothesis.
13. Explain the valuation process of preference shares.
14. Explain the various types of individual portfolio return.
15. Explain about the portfolio management process.
16. Explain the principles of modern portfolio theory.
17. Explain the concept of arbitrage pricing theory.
18. Explain different kinds of portfolio revision strategies.

**(5 × 5 = 25 Marks)**

PART – C

Answer any **two** questions. Each question carries **15** marks.

19. Explain the process of technical analysis.
20. Compare and contrast traditional portfolio theory and modern portfolio theory.
21. Explain Markowitz portfolio construction and portfolio selection process.
22. Explain the factors affecting portfolio revision. Explain various portfolio tracking strategies.

**(2 × 15 = 30 Marks)**



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Reg. No. : .....

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**Third Semester M.Com. Degree Examination, March 2022**  
**Paper III: CO 233 F INTERNATIONAL FINANCIAL MANAGEMENT**  
**(2018 Admission Onwards)**

**Elective: Finance**

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** mark.

1. Discuss about International Financial Management.
2. What is an MNC?
3. Write short notes on "Fixed Parity System".
4. What do you mean by currency pegging?
5. Define the term "SWAPS".
6. Write a short note on Bretton Woods Agreement?
7. What is a Eurobond?
8. Write short note on Foreign Currency Convertible Bonds (FCCBs)?
9. Explain the term FDI?
10. What is meant by country risk?

**(10 × 2 = 20 Marks)**

P.T.O.



SECTION – B

Answer any **five** questions. Each question carries **5** marks.

- ✓ 11. Explain the scope of International Financial Management.
12. What are the recent developments in global financial markets?
13. What is meant by Special Drawing Rights (SDRs)? Explain their significance in international monetary environment.
- ✓ 14. What do you mean by Balance of Payment? Explain various categories of accounts maintained in Balance of Payment.
15. Explain the Risks associated with derivatives?
- ✓ 16. Write short notes on
  - (a) ADR
  - (b) GDR
  - (c) IDR
17. What are the various Types of Foreign Direct Investment?
- ✓ 18. "Risk is inevitable in any business". Describe methods and tools used to manage international financial risks.

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** of the following questions. Each question carries **15** marks.

19. What is Gold Standard? Explain the advantages and disadvantages of gold standard.
20. Explain various Factors Determining Spot Exchange Rates?

21. What is FDI? Elucidate different Theories of FDI?
22. Describe the various foreign exchange instruments. Examine the recent developments in the Derivatives markets in India.

**(2 × 15 = 30 Marks)**

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**Third Semester M.Com. Degree Examination, March 2022**  
**Paper IV: CO 234 F – STRATEGIC COST AND MANAGEMENT**  
**ACCOUNTING**  
**(2018 Admission Onwards)**

**Elective: Finance**

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** mark.

1. What is differential costing?
2. What is angle of incidence?
3. What is normal loss?
4. What are the main objects of inter process profit?
5. What is standard cost card?
6. What is volume variance?
7. What is meant by international transfer price?
8. What is meant by CRM?
9. What is sunk cost?
10. Write a short note on 'predictive methods'.

**(10 × 2 = 20 Marks)**

P.T.O.



SECTION – B

Answer any **five** questions. **Each** question carries **5** marks.

11. What are the factors taken into consideration while deciding whether to make or buy?
12. What are equivalent units? Explain any two methods of calculating it.
13. Describe the managerial uses of variance analysis.
14. Why do transfer pricing system exist? What are the criteria to be considered in assessing a system of transfer pricing?
15. Write short notes on:
  - (a) Lifecycle cost
  - (b) Driver caused budgeting
16. Explain 'optimization techniques'.
17. A-One Co. produces 4,00,000 components of a machinery annually at 80% of full capacity. Regular selling price of the component is ₹ 33. Budgeted annual production costs and other expenses for the year are as follows:

expenses for the year are as follows :	₹
Raw materials cost per unit	4.25
Direct labour cost per unit	5.75
Variable factory overhead per unit	7.75
Variable selling costs	5% of selling price
Fixed factory and administrative overheads	39,50,000

During the year the company received a one-time order to sell 25,000 components for which no selling expenses will be incurred. What should be the minimum price quoted by the company if it wants to earn minimum of ₹1 per component on this order?

18. 80 kgs of material A at a standard price of ₹ 2 per kg and 40 kgs of material B at a standard price of ₹ 5 per kg. were to be used to manufacture 100 kgs of a chemical. During the month, 70 kgs of material A priced at ₹ 2.10 per kg and 50 kgs of material B priced at ₹ 4.50 per kg were actually used and the output of the chemical was 102 kgs. Find out the material variances.

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** questions. **Each** question carries **15** marks.

19. Explain how marginal costing is useful in managerial decision making.
20. What is meant by Benchmarking? Explain different stages in the process of Benchmarking?
21. From the following details, prepare Process Account by following FIFO Method.

Opening work-in-progress	(2,000 units):
Materials (100% complete)	₹15,000
Labour (60% complete)	₹9,000
Overheads (60% complete)	₹4,500
Units introduced into the process	₹10,000

There are 3,000 units in progress and the stage of completion is estimated to be: materials 100%; Labour 40%; Overheads 40%

