M.Com SEM-III
2024-25

Time: 2 Hours **Total Marks: 50**

N.B.: 1) All questions are compulsory.
2) Figures to the right indicate full marks.
3) Working should form part of your answers.

Q1 A) Ajay Ltd has issued capital of Rs.2000000 divided into Equity Shares of Rs.100 each on 31.03.2023. On 1.8.2023, 10000 Debentures of Rs.100 each were redeemed by the conversion into equity shares at par to the extent of 50% and Balance by Payment. On 1.11.2023 the company implemented the scheme of Buy Back of equity shares to the extent of 20% of shares held on 1.4.2023. The Process of buy back was completed on 1.12.2023. **Calculate Weighted Average No. of shares.** **(07)**

Q1 B) Arya Ltd has Net Profit of Rs. 4500000, Weighted Average Number of Shares is 750000 shares, Convertible Bonds- Rs.1250000 convertible into 75000 shares, Stock Options-75000 options with an exercise price of Rs.100 and Market Price of Shares is Rs.200. **Calculate Earnings Per Share and also Calculate Diluted Earnings Per Share.** **(07)**

OR

Q1 A) A Company owns a Patent with the following expected cash flows over the next three years: Rs.400000, Rs.600000 and Rs.800000. The discount rate is 15%. The patent is similar to a recently sold Patent that fetched Rs.2000000.

PV@15%	1	2	3
DF	0.870	0.756	0.658

You are required to calculate present value of cash flow using income Approach, Fair Value using market Approach and Final Fair Value. **(07)**

Q1 B) Classify the following assets as Tangible or Intangible. **(07)**

1. Invested Rs.5000 in E-commerce website platform.
2. Software embedded in computer controlled machine tools worth Rs.50000.
3. Purchase Machinery worth Rs.10000 and installed in the factory.
4. Purchase of franchise from hotel at a cost of Rs.500000 under a contract for a 10 years.
5. Operating system of a personal computer worth Rs.100000 purchase.
6. A firewall controlling access to restricted section of an internet website is Rs.5000
7. Integrated Publishing Software amounted to Rs.10000.

Q2) Calculate the value of HR from the following information: **(12)**

	Managerial	Qualified	Unqualified
1) Annual Average earning of an employee	50,000	35,000	25,000
2) Age of Retirement	60	60	60
3) Discount Rate	10%	10%	10%
4) No of employees in a group	10	20	30
5) Average Age	56	52	48
	4	8	12

OR

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Q2) C Ltd. has 250 unqualified employees. Their age group and the future average earning per year per employee is expected to be as follows: **(12)**

Age Range	Average Annual Earning per Employee
20-30	5000
30-40	7000
40-50	9000
50-60	8000

Discount rate is 10%. Calculate the value of HR. Assume that all the employees are 25 years old.

Q3) The following is the Balance Sheet of Birla as at 31/12/2024: **(12)**

Liabilities	Rs.	Assets		Rs.
Equity Share Capital	5,00,000	Land & Building		3,50,000
Reserves	1,70,000	Plant & Machinery		2,00,000
Secured Loans	2,00,000	Furniture		50,000
Short Term Loans	1,00,000	Stock		1,50,000
Creditors	50,000	Debtors	1,45,000	
		Less: RDD	20,000	1,25,000
		Bills Receivable		75,000
		Bank Balance		50,000
		Preliminary Expenses		10,000
		Underwriting Commission		10,000
	10,20,000			**10,20,000**

The company's profit before managerial remuneration (Rs.40,000 p.a) and taxation are:

Year ended 31st December	Rs.
2020	1,80,000
2021	1,90,000
2022	2,60,000 (including Rs.40,000 from speculation)
2023	2,50,000 (including Rs.10,000 on sale of fixed assets)
2024	2,80,000

Compute its Goodwill as 5 years purchase of super profit assuming that,

a. Companies engaged in similar business normally earn 15% p.a
b. Rate of income tax may be taken at 50%.
c. Half of the profit is to be considered for calculating Average CE.

OR

Q3) Max & Co., decided to purchase the business of Bharat & Co. on 31/12/2024. Profits of Bharat and Co. for the last 6 years were: **(12)**

Year	Rs.
2019	10,000
2020	8,000
2021	12,000
2022	16,000
2023	25,000
2024	31,000

The following additional information about Bharat & Co. is also supplied:

a. A casual income of Rs.3,000 was included in the profit of 2021 which can never be expected in future.

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b. Profit of 2022 was reduced by Rs.1,000 as a result of an extraordinary loss by fire
c. After acquisition of the business, Max & Co. has to pay insurance premium amounting to Rs.1,000 which was not paid by Bharat & Co.
d. Moksh the proprietor of Max & Co. was employed in a firm at a monthly salary of Rs.1,000 p.m. The business of Bharat & Co. was managed by a salaried manager who was paid a monthly salary of Rs.400. Now, Mr. Moksh decides to manage the firm after replacing the manager.

Compute the value of Goodwill on the basis of 3 years purchase of the average profit for the last 4 years

Q4) On 31st March, 2024 the balance sheet of Ganga Ltd. was as follows. **(12)**

Balance Sheet

Liabilities	Rs.	Rs.	Assets	Rs.
Share Capital:			Land and Buildings	3,00,000
Authorized 20,000 equity share of Rs.100 each		20,00,000	Plant and Machinery	1,72,500
Issued and paid up 15,000 equity Share of Rs.100 each Less: Calls in arrears Rs.20 each	15,00,000 2,000	14,98,000	Stock	4,50,000
Profit and Loss A/c		1,54,500	Sundry Debtors	9,07,500
Bank Overdraft		32,000	Cash	20,000
Creditors		1,15,500	Bank	1,30,000
Provision for Taxation		67,500		
Proposed Dividend		1,12,500		
		19,80,000		**19,80,000**

The Net Profits of the company after providing for tax were as follows:

Year Ended	Rs.
31st March,2024	1,72,500
31st March,2023	1,50,000
31st March,2022	1,87,000
31st March,2021	1,80,000
31st March,2020	1,35,000

On 31st March,2024 Land and Building were valued at Rs.3,75,000 and Plant and Machinery were valued at Rs.2,25,000.Normal rate of return can considered at 8%.Goodwill is to be valued at Rs.67,800.

Find the Intrinsic value of fully paid and partly paid equity shares. Consider closing capital employed as average capital employed.

OR

Q4) Write Short Notes: **(Any 3)** **(12)**

(a) Benefits of Global Standards
(b) Standard Cost Model of Human Resources Accounting
(c) Types of Employee Benefits
(d) Market Approach of Valuation of Shares
(e) Methods of Valuation of Goodwill

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M.Com SEM-III
2024-25

(2 Hours) Marks 50

Instructions:

1. **Read all the instructions carefully before attempting any question.**
2. **All questions are compulsory, each question has an internal choice.**
3. **Figures to the right indicate full marks.**

Q.1. a. Explain the objectives of Auditing Standards. (14)

OR

Q.1.b. Read the following case study carefully and discuss the appropriate course of action: **(14)**

The managing directors of the company has committed a "Teeming and Lading" Fraud. The amount involved has been however, subsequently after the year end deposited in the company. As a statutory auditor, how would you deal?

Q2.a. Describe the overall objectives of the independent auditor in conducting an audit of financial statement. (12)

OR

Q.2.b. What do you mean by Audit Strategy? Explain the factors influencing Audit Strategy. **(12)**

Q3.a. What do you mean by Audit Working Paper? Explain the importance of Audit Working Paper. **(12)**

OR

Q.3.b. What is Audit Evidence under SA 500? Describe the purpose of SA 500. (12)

Q4. a. What is Audit Reporting? Discuss the elements of Auditor's Report? **(06)**

b. Explain the purposes of Audit Documentation. **(06)**

OR

Q.4.c. Write a Short Note (Any 3) (12)

i. Audit Plan
ii. Types of Audit Reporting
iii. True and Fair View
iv. Auditor's Responsibilities
v. Financial Statements.

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Paper / Subject Code: N59333 / Financial Services

M.Com SEM-III
2024-25

(2 Hours) [Total Marks 50]

Instructions:

i. All questions are compulsory and subject to internal choice.
ii. Figures to the right indicate full marks.
iii. Make suitable assumptions whenever required and state them.
iv. Use of simple calculator is allowed.

Q.1.(A) Alpha instrument Ltd. Is in business of manufacturing bearings some more product line are being planned to be added to the existing system. The company has decided to acquire a machine costing Rs.10,00,000 having a useful life of 5 years and savage value of 2,00,000 (considering short term capital loss/ gain for income tax) The full purchase value of machine is being financed by bank loan at a rate of 10% interest p.a. repayable in 5 equal instalments following due at the end of each year.

Alternatively the machine can be produced on a 5 year lease, the lease rent of Rs. 2,50,000 p.a. The company follows WDV method for depreciation and tax rate is 30% and Depreciation is 25%. **(14)**

a) What is the P.V. of cash outflow for both the option using after tax cost of debt?
b) Present value of Rs. 1:

Year	Df 7%	Df 10%
1	0.9346	0.9091
2	0.8734	0.8264
3	0.8163	0.7513
4	0.7629	0.6880
5	0.7130	0.6209

OR

Q.1.(B) Define Lease Financing. Explain Features of Lease. **(07)**

Q.1. (C) Explain Bower-Herringer Williamson Method. What are its advantages and disadvantages? **(07)**

Q.2.(A) XYZ Ltd. has credit sales of Rs. 165 Crore during the financial year 2023-24 and its arrange collection period is 65 days. The past experience suggests that bad debt losses are 4.28% of credit sales.

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M.Com - SEM-III
2024-25

Administration cost incurred in collection of its receivables is Rs. 12,35,000 p.a. A factor is prepared to buy the company's receivables by charging 1.95% commission. The factor will pay advance on receivables to the company at an interest rate of 16%p.a. after withholding 15% as reserve.

Estimate the effective cost of factoring to the company assuming 360 days in a year. **(12)**

OR

Q.2.(B) What is the process through which factoring operates? **(06)**

Q.2.(C) What are the key differences between forfeiting and export factoring? **(06)**

Q.3. (A) Mr. Tiger wants to invest in one of the following Bonds having face value of Rs. 1,000 Maturing at the par **(06)**

Bond	Coupon rate	Maturity	Price/Rs.1,000 par value
A	12%	5 years	Rs.1,080
B	15%	5 years	Rs. 920

Recommend which bond should be purchased will your answer change if the required rate of return is 14%

Q.3. (B) From the following you are required to assess the performance of venture capital fund compared to its bench mark index, NASDAQ composite index. The fund's annual return and NASDAQ composite Index return over the past four years are as follows: **(06)**

Years	1	2	3	4
Fund Return (%)	20	23	15	20
NASDAQ composite Index Return (%)	22	25	18	24

OR

Q.3.(C) What is a social venture fund? Explain its characteristics. **(06)**

Q.3. (D) What is a venture capital fund and what role does it play in the investment landscape? **(06)**

Q.4. (A) Calculate the standard deviation of two asset portfolio that consists of the following: **(06)**

Asset	Expected Return	Standard Deviation
A	20%	18
B	80%	12
Correlation (A,B)= 0.33		

Calculate Standard Deviation of Portfolio.

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Q.4.(B) A Ltd. and B Ltd. have the following risk and return estimates: **(06)**

Estimates	%
Expected return of A ($E(R_A)$)	10%
Expected return of B ($E(R_B)$)	15%
Standard deviation of A (σ_A)	8%
Standard deviation of B (σ_B)	10%

Correlation coefficient (ρAB) = 0.3

Suppose the weights of the securities in the portfolio are 50% each ($w_A = 0.5$ and $w_B = 0.5$).

Calculate the risk and return of the portfolio.

OR

Q.4.(C) What is meant by Portfolio Management Services (PMS) and what is its primary purpose? **(06)**

Q.4. (D) What is the rationale behind diversification in portfolio management, and how does it help in constructing an efficient portfolio? **(06)**

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Paper / Subject Code: N59343 / Advanced Trends in Accounting - III

M.COM SEM- III

2024- 25

Time: 1 Hour **Marks: 25**

Note:

1. Please check whether you have got the right question paper.
2. All Questions are Compulsory.
3. Figures to the right indicate full marks.

Q.1) A) Case Study Question.

XYZ Private Limited is a newly established business in Maharashtra. The company deals in the manufacturing and supply of electronic goods. In its first year of operations, the company has achieved the following financial and operational milestones:

Turnover: The company's aggregate turnover in the previous financial year was Rs. 25 lakhs.

Inter-State Sales: The company has started supplying its products to Karnataka and Gujarat in addition to Maharashtra.

Exempt Goods: The company deals in both taxable and exempt electronic accessories.

The management is unsure about their obligation to register under the Goods and Services Tax (GST) Act and seeks advice on whether GST registration is mandatory for them.

Answer to the following Questions:

1. Is XYZ Private Limited required to register for GST based on its turnover? *03*
2. Does the company's involvement in inter-state supplies impact its registration requirement? *02*

Q.2) A) What is E-Way Bill, its Meaning, Condition and Format for the same? **05**

Q.2) B) Explain the Electronic Liability Ledger and Electronic Credit Ledger in details? **05**

OR

Q.2) C) What is the Procedure to cancellation of GST registration of business? **05**

Q.2) D) Who is the Non-Resident Taxable Person (NRTP) and write a short note on it. **05**

Q.3) A) What is the Procedure of Business Registration under GST Laws and also mentioned the documents required for the same? **10**

OR

Q.3) B) What is Filling of Returns, Furnishing the details of Outward Supply (GSTR-1) & Inward Supply (GSTR-2A & 2B) along with the Due Date for filling of returns? **10**

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Paper / Subject Code: N59262 / Mutual Funds

M. Com SEM-III
2024-25

2 Hours | Total Marks: 50

Note: 1. All Questions are compulsory
2. Figures to the right indicates marks
3. Q2 to Q5 have internal choice

Q1. Analyze the case study and answer the questions below **(10)**

Green Wealth Mutual Fund, a newly established asset management company, is preparing to launch its first mutual fund schemes in India. To proceed, it must comply with various legal and regulatory frameworks. The company needs to register with SEBI, which mandates requirements like minimum net worth, trustee registration, and adherence to ethical practices. Additionally, since the schemes will include money market instruments, GreenWealth must comply with RBI's regulations on liquidity and risk management.

As a registered company, GreenWealth must also fulfill obligations under the Companies Act, including timely filings with the Registrar of Companies. Furthermore, the company must secure membership in the Association of Mutual Funds in India (AMFI) and follow self-regulatory organization (SRO) guidelines to ensure investor education and dispute resolution. Despite these challenges, GreenWealth is committed to protecting investor rights through transparent disclosures and an effective grievance redressal mechanism.

Ravi Mehra, the CEO, faces the dual challenge of meeting regulatory requirements while ensuring a timely market entry. He must decide how to balance adherence to the legal framework with achieving the company's strategic objectives.

Analyse above case and answer the following questions:-

1. What role does SEBI play in regulating mutual funds, and why is its registration critical for GreenWealth?
2. How does the RBI's regulation of money market instruments impact mutual funds?
3. Suggest strategies for GreenWealth to ensure compliance without delaying its market entry.
4. How can GreenWealth educate investors about their rights and responsibilities effectively?
5. How can GreenWealth ensure ongoing compliance with evolving regulations in the mutual fund industry?

Q2. Answer the following (Any one) **(10)**

1) Explain the structure and organization of Mutual Funds in India and discuss the roles of sponsors, trust, and AMC.

OR

2) Describe the features and types of Equity Funds and Debt Funds, and explain the risks associated with each.

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Q3. Answer the following (Any One) **(10)**

1) What are the factors to be considered while choosing Equity mutual funds.

OR

2) Explain the accounting aspects of mutual funds, focusing on NAV computation and the factors affecting it.

Q4. Answer the following (Any One) **(10)**

1) Discuss the legal and regulatory framework governing mutual funds in India, focusing on the role of SEBI and other key regulatory bodies.

OR

2) Explain the role and responsibilities of a Trustee in the context of mutual funds and the associated rights and obligations.

Q5. Answer the following (Any One) **(10)**

1) What are the advantages and disadvantages of investing in Small-Cap Equity Mutual Funds?

OR

2) Explain the taxation aspects of mutual funds, including dividend taxation, capital gains, and tax benefits.

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मराठी रुपांतर

२ तास एकूण गुण: ५०

1. सर्व प्रश्न अनिवार्य आहेत
2. उजव्या बाजूला दिलेली संख्या गुण दर्शवते
3. प्र. 2 ते प्र. 5 साठी अंतर्गत पर्याय आहेत

प्र.1: केस स्टडीचे विश्लेषण करा आणि खालील प्रश्नांची मराठीत उत्तर द्या. (10)

GreenWealth Mutual Fund ही नुकतीच स्थापन झालेली मालमत्ता व्यवस्थापन कंपनी भारतात आपली पहिली म्युच्युअल फंड योजना लॉन्च करण्यासाठी सज्ज होत आहे. यासाठी कंपनीला विविध कायदेशीर आणि नियामक चौकटींचे पालन करणे आवश्यक आहे. SEBI कडे नोंदणी करणे आवश्यक आहे, ज्यामध्ये किमान निव्वळ मूल्य, विश्वस्त नोंदणी, आणि नैतिक प्रथांचे पालन या गोष्टींची मागणी केली जाते. याशिवाय, योजनांमध्ये मनी मार्केट साधनांचा समावेश असल्यामुळे, GreenWealth ला RBI च्या तरलता आणि जोखीम व्यवस्थापन नियमांचे पालन करावे लागेल.

नोंदणीकृत कंपनी म्हणून, GreenWealth ला कंपन्यांच्या कायद्यानुसार रजिस्ट्रार ऑफ कंपन्यांकडे वेळेवर फाइलिंग करणे बंधनकारक आहे. तसेच, कंपनीला AMFI (Association of Mutual Funds in India) चे सदस्यत्व मिळवणे आवश्यक आहे आणि स्वतःची नियामक संघटना (SRO) मार्गदर्शक तत्त्वांचे पालन करणे आवश्यक आहे, ज्यामुळे गुंतवणूकदार शिक्षण आणि वाद निराकरण सुनिश्चित होते. या आव्हानांनंतरही, GreenWealth पारदर्शक खुलासे आणि प्रभावी तक्रार निवारण यंत्रणेच्या माध्यमातून गुंतवणूकदारांचे हक्क संरक्षित करण्यास वचनबद्ध आहे.

CEO रवि मेहरा यांच्यासमोर नियामक आवश्यकता पूर्ण करण्याचे आणि वेळेत बाजारात प्रवेश सुनिश्चित करण्याचे दुहेरी आव्हान आहे. कायदेशीर चौकटीचे पालन करताना कंपनीच्या धोरणात्मक उद्दिष्टांमध्ये संतुलन कसे साधावे हे त्यांना ठरवावे लागेल.

परीक्षेसाठी प्रश्न:

1. SEBI म्युच्युअल फंडांचे नियमन करण्यामध्ये कोणती भूमिका बजावते, आणि GreenWealth साठी त्याची नोंदणी महत्त्वाची का आहे?
2. RBI कडून मनी मार्केट साधनांचे नियमन म्युच्युअल फंडांवर कसा परिणाम करते?
3. नियमनाचे पालन करताना बाजारात वेळेत प्रवेश सुनिश्चित करण्यासाठी GreenWealth साठी काही धोरणे सुचवा.
4. GreenWealth गुंतवणूकदारांना त्यांच्या हक्कांबद्दल आणि जबाबदाऱ्या प्रभावीपणे कशा शिकवू शकते?
5. म्युच्युअल फंड उद्योगातील सतत बदलणाऱ्या नियमनांचे पालन GreenWealth कसे सुनिश्चित करू शकते?

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Q2. खालीलपैकी एकाचे उत्तर द्या **(10)**

1) भारतातील म्युच्युअल फंडांची रचना आणि संघटना स्पष्ट करा आणि प्रायोजक, ट्रस्ट आणि AMC (Asset Management Company) यांच्या भूमिका स्पष्ट करा.

किंवा

2) इक्विटी फंड आणि डेट फंड यांचे प्रकार व वैशिष्ट्ये आणि त्यांच्याशी संबंधित जोखीम स्पष्ट करा.

Q3. खालीलपैकी एकाचे उत्तर द्या **(10)**

1) इक्विटी म्युच्युअल फंड निवडताना विचार करण्याचे महत्त्वाचे मुद्दे स्पष्ट करा.

किंवा

2) म्युच्युअल फंडांचे लेखा पद्धती स्पष्ट करा, ज्यामध्ये NAV ची गणना आणि त्यावर परिणाम करणारे घटक स्पष्ट करा.

Q4. खालीलपैकी एकाचे उत्तर द्या **(10)**

1) भारतात म्युच्युअल फंडांचे नियमन करणाऱ्या कायदेशीर आणि नियामक ढाच्याबाबत चर्चा करा, ज्यामध्ये SEBI आणि इतर महत्त्वाच्या नियामक संस्थांची भूमिका हे लक्षात घेऊन लिहा.

किंवा

2) म्युच्युअल फंडांच्या संदर्भात विश्वस्ताची भूमिका आणि जबाबदाऱ्या तसेच संबंधित हक्क आणि कर्तव्ये स्पष्ट करा.

Q5. खालीलपैकी एकाचे उत्तर द्या **(10)**

1) स्मॉल-कॅप इक्विटी म्युच्युअल फंड्समध्ये गुंतवणुकीचे फायदे आणि तोटे कोणते आहेत?

किंवा

2) म्युच्युअल फंडांच्या कर प्रणालीबाबत स्पष्टीकरण द्या, ज्यामध्ये लाभांश कर, भांडवली नफा, आणि कर लाभ यांचा समावेश आहे

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