

STUDENT ASSIGNMENTS (SESSION 2018-19)

INSTRUCTIONS

The students are required to read carefully and follow the instructions given below:

- Submission of one complete assignment in each course of the programme every year is compulsory.
- Completed assignments on prescribed assignment booklets are to be submitted by hand or through post to the Study Centre/Programme Coordinator, CDOL as per dates mentioned in the Academic Calendar 2018-19 (<http://jmi.ac.in/bulletinboard/academic-calendar/cdol>).
- For assignments submitted after dates mentioned in the Academic Calendar, a late fee of **Rs. 100/-** per assignment will be payable to CDOL through Demand Draft in favour of Jamia Millia Islamia, Payable at New Delhi.
- For ex-students who failed to submit assignments during the course of the programme are required to submit **Rs. 200/-** per assignment to CDOL in the form of Demand Draft in favour of Jamia Millia Islamia, Payable at New Delhi.
- Write your name, roll number and other details as required on the cover page of **Assignment Booklet**.
- **For your record you may keep a photocopy of your assignment.**
- **Please go through your Programme Guide carefully.**

B.Com Final Year

Course Title – Financial Management
Session – 2018-19

Course Code – B.Com 301
Maximum Marks - 30

Note: Attempt any three questions out of the following questions. All questions carry equal marks.

1. Pioneer Steels Ltd. is considering two mutually exclusive projects. Both require an initial cash outlay of Rs, 10,000 each and have a life of 5 years. The company's required rate of return is 10% and pay, tax at a 50% rate. The projects will be depreciated on a straight line basis. The profits before depreciation expected to be generated by the projects are as follows:-

Year	1	2	3	4	5
Project 1	4000	4000	4000	4000	4000
Project 1	6000	3000	2000	5000	5000

You are required to calculate:

- a) The pay back of each project.
- b) The average rate of return for each project.
- c) The net present value and profitability index for each project.
- d) The internal rate of returns for each project.

2. The following data is available for XYZ Ltd:-

	Rs
Sale	50Lacs
(-) variable cost	10Lacs
(-) Fixed cost	<u>20Lacs</u>
EBIT	20Lacs
(-) Interest	<u>5Lacs</u>
Profit before tax	15Lacs
(-) Tax @ 40%	<u>6Lacs</u>
Profit after tax	9Lacs
(-) Preference Dividend	1Lacs
Profit for Equity shareholders	<u>8Lacs</u>

The company has 4 Lacs equity share issued to shareholders. Find out the degree of

- (i) Operating Leverage.
- (ii) Financial Leverage.
- (iii) Combined Leverage.

What would be the EPS If the sale level increases by 10%.

3. From the following selected data, determine the value of firms , P and Q belonging to the homogenous risk class under (a) The Net Income Approach , and (b) The Net Operating Income Approach.

	<u>Firm P</u>	<u>Firm Q</u>
EBIT	Rs. 2, 25,000	Rs. 2, 25,000
Interest at 15%	75,000	--
Equity capitalization Rate	20%	
Corporate Tax Rate	50%	

Which of the two firms has an optimal capital structure under the

- (i) Net Income approach.
(ii) Net Traditional approach.

4. Explain Stable Dividend Policy? What is the significance of stability of dividend?
5. “Working capital management deals with the decisions regarding the appropriate mix level of current assets and current liabilities.” Elucidate the statement.

Course Title – Fundamental of Entrepreneurship
Session – 2018-19

Course Code – B.Com 302
Maximum Marks - 30

Note: Attempt any three questions out of the following questions. All questions carry equal marks.

1. What are the functions of an entrepreneur? How an economic environment affect the working of an entrepreneur.
2. (a) What are the factors responsible for identification of business opportunities?
(b) What are the legal requirements for establishing a business?
3. Discuss in detail the features of Capitalism, Socialism and Mixed economy
4. What is the rationale of Entrepreneurship Development Programmes in India? What is the role of government in promoting EDPs in India
5. Write short notes on:
(a) Role of entrepreneur in export promotion
(b) Government incentives to SSIs.

Note: Attempt any three questions out of the following questions. All questions carry equal marks.

1. “Management accounting is concerned with the accounting information that is useful to management” Discuss.
2. ABC Ltd provide you the following data for 60% activity. Prepare flexible budget for 80% and 100% activity.

Production at 60% activity	600 units
Material	Rs. 100 per unit
Labour	Rs. 40 per unit
Expenses	Rs. 10 per unit
Factory Expenses	Rs. 40,000 (40% fixed)
Administration Expenses	Rs. 30,000 (60% fixed)

3. What do you mean by absorption of overheads? Discuss the different methods for the absorption of factory overhead with suitable examples.
4. A single product company sells its product at Rs. 60 per unit. In 2016 the company operated at a margin of safety of 40%. The fixed cost amounted to Rs. 3,60,000 and the variable cost ratio to sales was 80%.
In 2017, it is estimated that the variable cost will go up by 10% and the fixed costs will increase by 5%.

Find the selling price required to be fixed in 2017 to earn the same P/V ratio as in 2016. Assuming the same selling price of Rs. 60 per unit in 2017. Find the number of units required to be produced and sold to earn the same profit as in 2016.

- 5 Calculate the Labour variances from the following information:

Standard wages:-

Grade X:	90 Labourers at Rs. 2 per hour
Grade Y:	60 Labourers at Rs. 3 per hour

Actual wages:

Grade X:	80 Labourers at Rs. 2.50 per hour
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Grade Y:

60 Labourers at Rs. 2.00 per hour

Budgeted Hour 1000, Actual Hours 900.

Budgeted Gross Production 5000 units.

Standard Loss 20%

Actual Loss 900 units.

Course Title – Income Tax
Session – 2018-19

Course Code – B.Com 304
Maximum Marks - 30

Note: Attempt any three questions out of the following questions. All questions carry equal marks.

1. Income of previous year is chargeable to tax in the immediately following assessment year. Is there any exception to this rule? Discuss.
2. During the previous year 2017-18, X, a foreign citizen, stayed in India for just 69 days. Determine his residential status for the assessment year 2018-19 on the basis of following information:-
 - (I) During 2016-17 he was not present in India but during 2015-16 he came to India for 276 days.
 - (II) During 2014-15 X was present in India for 90 days.
 - (III) During 2011-12 and 2010-11 X was in India for 359 and 348 days respectively.
 - (IV) Earlier to 2010-11 he had been regularly coming to India for 100 days every Year.
3. Mr. Khan is a purchase officer in company in Jaipur. He furnished the following particulars regarding his income of the previous year 2017-18:-
 - (I) Basic salary Rs. 17,000 p.m
 - (II) Bonus Rs. 5,000 p.m
 - (III) Dearness allowance Rs. 3000 p.m
 - (IV) Travelling allowance Rs. 45,000. He spends Rs. 30,000 for official purposes.
 - (V) Reimbursement of medical bills Rs. 25,000 (treatment) was done in government hospital in India
 - (VI) He lived in a bungalow belonging to the company. Its fair rent is Rs. 15,000 p.m. The company has provided on this bungalow the facility of a watchman and a cook each of whom is being paid a salary of Rs. 250 P.M. The Company paid in respect of his bungalow Rs. 5,000 for electric bills and Rs. 3,000 for water bills.
 - (VII) He has been provided with 1.5 liter engine capacity car for official and personal use. The maintenance and running expenses of the car (including driver) are borne by the company.

(VIII) The following amount were deposited in his provident fund account:

- (a) Own contribution Rs. 24,000.
- (b) Company's contribution Rs. 30,000 and
- (c) Interest @ 12% p.a Rs, 12,600.

(IX) Rent of the house recovered from Mr Khan is Rs. 21,600.

Compute his taxable income from salary for the assessment year 2018-19. Assume the population of Jaipur is 26 lakhs as per 200/ Census.

4. R owns a house property in Delhi. 60% of the property is let out for Rs. 15,000 p.m and 40% portion is self occupied by him

Compute his income from house property from the following information submitted to you.

	Rs.
a. Municipal valuation	2,00,000
b. Fair rental value	22,000 p.m
c. Standard rent	20,000 p.m
d. Municipal tax paid	30,000
e. Interest on money borrowed for purchase of the house property which was acquired in 2008	1,80,000

5. (a) Explain the term Capital Gains under the Income Tax Act. Distinguish between short term and long term capital gains.

a. From the following information compute the total and the tax payable by an individual for the assessment year 2018-19

- (I) Salary @Rs. 30,000 p.m
- (II) Dearness allowances Rs. 40,000 p.m
- (III) He contributes 20% of the salary and D.A. to a recognized provident fund.
- (IV) Employer's contribution to provident fund is 14% of salary and dearness allowances.
- (V) Rent from house property is Rs. 12,000 p.m.
- (VI) Interest from an Indian Company Rs. 50,000(gross)
- (VII) Life insurance premium paid Rs. 4,000.

Course Title – Auditing

Course Code – B.Com 305

Session – 2018-19

Maximum Marks - 30

Note: Attempt any three questions out of the following questions. All questions carry equal marks.

1. What is meant by Audit Planning? What are the considerations remain in the mind of auditor while chalking out Audit Planning? Describe the advantage of good audit plan.

2. Define voucher and state the essentials of a valid voucher. What are the considerations should an auditor be kept in mind while examining a voucher?
3. What do you understand by verification and valuation of assets and liabilities? How are the following items verified by an auditor?
 - a. Contingent liabilities
 - b. Plant and Machinery
 - c. Patent rights
4. Describe the duties of an auditor of a company with regard to;
 - a. Buy back of equity shares
 - b. Managerial remuneration
 - c. Audit of capital reserve
5. State the meaning and types of audit report. How does auditor's report differ from auditor's certificate?

**Course Title – Principles of Insurance
Session – 2018-19**

**Course Code – B.Com 306
Maximum Marks - 30**

Note: Attempt any three questions out of the following questions. All questions carry equal marks.

1. Discuss the salient points of the Insurance Act, 1938.
2. What are the salient features of the Insurance Regulatory and Development Authority Act, 1999?
3. What are the popular forms of insurance product? Explain with suitable example.
4. Answer the following
 - a. Overseas mediclaim policy
 - b. Insurance and assurance.
5. Write short notes on any two following:
 - a. Insurance Industry in India.
 - b. Inspection Report
 - c. Cover Note.