

STUDENT ASSIGNMENTS (SESSION 2019-20)

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 assignments booklet are to be submitted by hand or through post to the Study Centre/Programme Coordinator, CDOL as per dates mentioned in the Academic Calendar 2019-20 (<http://jmi.ac.in/bulletinboard/academic-calendar/cdol>).
- 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.**

Part-III

Course Title – Financial Management
Session – 2019-20

Course Code – B.Com 301
Maximum Marks - 30

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

1. S Ltd is considering a new project which requires an investment of Rs 200 lakhs. The project is expected to yield the following gross profits (before depreciation and tax)

Year	1	2	3	4	5
Gross Profit	80	80	90	90	75

2. The cost of raising the additional capital is 12% and assets are to be depreciated at 20% on straight line method. The scrap value is nil at the end of five years. Income tax rate is 50%.

Calculate the NPV of the project at (i) 12% (ii) 14% and (iii) 16%

Present value of Re 1 is as follows:

Year	12 %	14%	16%
1	0.89	0.88	0.86
2	0.80	0.77	0.73
3	0.71	0.67	0.67
4	0.64	0.59	0.55
5	0.57	0.52	0.52

3. Write short notes on any two :
- Time Value of Money
 - NPV vs. IRR
 - Cash Management
4. What do you mean by cost of capital? State the problems involved in determining cost of capital?
5. Explain Gordon Dividend Model? What are its assumptions and implications?

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

1. Illustrate the important functions of an entrepreneur?
2. Why entrepreneurship is advised to scan the business environment?
3. What is the long-term effect of infrastructure spending on Small Scale industries?
4. What are the main objectives of Foreign Trade Policy? Discuss in current Indian Business Scenario.
5. Write short notes any two of the following:
 - (a) Social Responsibility of Business.
 - (b) Joint Stock Company.
 - (c) Subsidy.

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

1. Distinguish between of the following:
 - a. Direct Cost and Indirect Cost.
 - b. Variable Cost and Fixed Cost.
2. Explain LIFO and FIFO methods of inventory or material valuation.
3. From the following figures prepare a reconciliation statement:

	Rs.
Net profit as per financial records	128755
Net profit as per costing records	172400
Works overhead under recovered in costing	3120
Administrative overhead recovered in excess	1700
Depreciation charges in financial records	11200

Depreciation recovered in costing	12500
Interest received but not included in costing	8000
Obsolescence loss charged in financial records	5700
Income tax provided in financial books	40300
Bank interest credited in financial books	750
Stores adjustments (credit financial books)	475
Depreciation of stock charged in financial books	6750

4. A company is expecting to have Rs. 35000 in cash on April 1, 2012 and it requires you to prepare a budget for three months, April to June 2012. The following information is supplied to you:

Months	Sales	Purchase	Wages	Expenses
	Rs.	Rs	Rs.	Rs.
February	70000	40000	8000	6000
March	80000	50000	8000	7000
April	92000	52000	9000	7000
May	100000	60000	10000	8000
June	120000	55000	12000	9000

Other information:

- Period of credit allowed by suppliers is two months.
 - 25% of the sales are for cash and period of credit allowed to customers for credit sales is one month.
 - Delay in payment of wages and expenses are one month.
 - Income tax of Rs. 20000 is to be paid in June 2012.
5. Write short notes on the following:
- Reorder Quantity
 - Reorder Level
 - Maximum Level
 - Minimum Level

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

1. How will you determine the residential status of an assessee? Explain.
2. Mr. Khan has the following income for the Previous year ending on March 31st 2018,
Income from salary in India from a company Rs. 50,000
Dividend from Indian company received in England and spent there Rs.10,000
Income from House Property in India and received in China Rs. 20,000
Dividend from foreign company received in England and deposited in a Bank there Rs. 10,000
Income from business in Kolkata managed from USA Rs. 20,000
Income from business in USA (controlled) Rs. 12,000
Income was earned in Australia and received there, but brought into India Rs. 25000
His maternal uncle sent a bank draft from France as a gift to him on his marriage
Rs.20,000
Compute the Gross and Income, if he is
 1. Resident
 2. Non ordinary Resident
 3. Non Resident
3. What is 'annual value'? How is the annual value of a let out house-property determined?
4. Explain provisions related to any 5 deductions to be allowed from Gross Total Income.
5. Write a short note on any two of the following:
 - a. Exceptions to the rule "income of previous year is taxable in the assessment year".
 - b. Provisions regarding filing of return.
 - c. Exceptions of Capital Asset
 - d. House Rent Allowance
 - e. Exempted Income.

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

1. What do you understand by performance audit? Discuss its objectives.
2. What is Verification? How is it different from Vouching?
3. What is management audit? Explain the objectives of management audit.
4. State the provisions under the Company Act 2013 regarding the appointment and qualifications of an auditor.
5. Write short note on any two of the following:
 - (a) Audit Planning.
 - (b) Vouching.
 - (c) Audit Programme.
 - (d) Audit Report.

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

1. Explain in detail the procedure for becoming an insurance agent.
2. Discuss the salient features of various types of life insurance policies.
3. Describe the settlement procedure of insurance policy claim with suitable examples.
4. What is the role of insurance Ombudsman?
5. Write short notes on any two of the following:
 - a) Insurable Interest.
 - b) Principle of Indemnity.
 - c) Grievance Redressal Rules.
 - d) Financial Underwriting.