



Jaya College of Arts and Science, Thiruninravur -602024.

1.1.2 Supporting Documents

1. Slow Learners Schedule
2. Slow Learners Material
3. Bright Learners Material



JAYA COLLEGE OF ARTS AND SCIENCE

THIRUNINRAVUR - 602 024.

REMEDIAL CLASS ASSIGNMENT / TOPICS

| REG. NAME | | SUBJECT NAME | DEPARTMENT |
|--------------------|----------|--|------------|
| SLOW LEARNERS LIST | | CLASS : III B.COM 'C' | COMMERCE |
| S.No | DATES | ASSIGNMENT / TOPICS | |
| 1 | 25/10/23 | COST ACCOUNTING : FIFO, LIFO sums test. | |
| 2 | 26/10/23 | FINANCIAL MANAGEMENT : Earnings Per share, Weighted average cost of capital model sums test. | |
| 3 | 27/10/23 | PRACTICAL AUDITING : Classification of audit test. | |
| 4 | 28/10/23 | VISUAL BASIC THEORY : Data types. | |
| 5 | 29/10/23 | LOGISTICS : Rights of logistics / Elements of logistics. | |
| 6 | |  Signature of incharge | |

Signature of incharge

Signature of H.O.D
Principal

JAYA COLLEGE OF ARTS & SCIENCE
THIRUNINRAVUR-602 024



JAYA COLLEGE OF ARTS AND SCIENCE
THIRUNINRAVUR - 602 024.
REMEDIAL CLASS ATTENDANCE SHEET

| STRENGTH : 15 | | Class: III B.com 'c' | Class incharge: | | | | | | | | | |
|------------------------|-----------|-----------------------|-----------------|-----------|---|----|----|----|-----------|----|---|----|
| S. No | Reg. No | Name of the Candidate | DATES / Marks | | | | | | | | | |
| | | | Test | Prac. And | | FM | YB | | Logg. Scm | | | |
| | | | M | M | M | M | M | M | M | M | M | |
| 1. | 312202446 | B. Dhanush | 1 | 18 | 1 | 16 | 1 | 17 | 1 | 15 | 1 | 14 |
| 2. | 312202453 | D. Harinath | a | a | a | a | a | a | a | a | a | a |
| 3. | 312202456 | J. Jayanthan | a | a | a | a | a | a | a | a | a | a |
| 4. | 312202458 | J. Koushik | 1 | 17 | 1 | 18 | 1 | 15 | 1 | 17 | 1 | 15 |
| 5. | 312202476 | M. Sabharaj | a | a | a | a | a | a | a | a | a | a |
| 6. | 312202493 | A. Vijay | 1 | 15 | 1 | 15 | 1 | 16 | 1 | 15 | 1 | 14 |
| 7. | 312202495 | M. Vignarajan | 1 | 16 | 1 | 17 | 1 | 18 | 1 | 14 | 1 | 15 |
| 8. | 312202487 | S. Sunil Kumar | 1 | 15 | 1 | 18 | 1 | 17 | 1 | 13 | 1 | 12 |
| 9. | 312202486 | S. Sripathi | 1 | 15 | 1 | 16 | 1 | 15 | 1 | 16 | 1 | 18 |
| 10. | 312202483 | V. Shankar | 1 | 14 | 1 | 14 | 1 | 13 | 1 | 14 | 1 | 12 |
| 11. | 312202512 | N. Minza | 1 | 13 | 1 | 12 | 1 | 18 | 1 | 16 | 1 | 14 |
| 12. | 312202473 | R. Rakesh Prabhu | 1 | 15 | 1 | 16 | 1 | 15 | 1 | 14 | 1 | 13 |
| 13. | 312202462 | M. Moneshwaran | 1 | 16 | 1 | 18 | 1 | 17 | 1 | 16 | 1 | 13 |
| 14. | 312202463 | S. Naveen Kumar | 1 | 18 | 1 | 10 | 1 | 13 | 1 | 15 | 1 | 14 |
| 15. | 312202450 | S. Gokul | 1 | 17 | 1 | 12 | 1 | 14 | 1 | 14 | 1 | 16 |
| Signature of the staff | | | | | | | | | | | | |

K. Sankar
Staff

[Signature]
Acad. Co-ordinator

[Signature]
HOD

[Signature]
Principal

[Signature]
Dean

[Signature]
Director (Acad)



[Signature]
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THIRUNINRAVUR-602 024



JAYA COLLEGE OF ARTS AND SCIENCE
THIRUNINRAVUR - 602 024.
REMEDIAL CLASS ASSIGNMENT / TOPICS

| STAFF NAME | | SUBJECT NAME | DEPARTMENT |
|----------------|----------|--|------------|
| K. Dhanasekari | | Corporate Accounting | Commerce |
| S. No | DATES | ASSIGNMENT / TOPICS | |
| 1 | 30/10/23 | Underwriting - Types of University - complete - Aerial - firm underwriting [University Sums]. Test → underwriting for 30 MARK. HOD: → | |
| 2 | 31/10/23 | Company final Accounts - Profit & loss format, Balance Sheet format (test). HOD: → | |
| 3 | 01/11/23 | Insurance Company - preparation of Revenue Account - M.R. calculation for Managers. → format & Sums test HOD: → | |
| 4 | 02/11/23 | Issue of Shares - par - premiums - discount Journal entries HOD: - | |
| 5 | 03/11/23 | All 5 units & marks [University] HOD: - | |
| 6 | 04/11/23 | valuation of G/hill & shares [University Sums] HOD: - | |



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THIRUNINRAVUR - 602 024

REMEDIAL CLASS ATTENDANCE SHEET

| STRENGTH | | | SUBJECT NAME Corporate Accounting | STAFF NAME K. Dharmasethy | | | | | | |
|----------|------------|-----------------------|--------------------------------------|------------------------------|------|------|------|------|---|--|
| S. No | Department | Name of the Candidate | | DATES / HOURS | | | | | | |
| | | | 30/10 | 31/10 | 1/11 | 2/11 | 3/11 | 4/11 | | |
| | | | 506 | 506 | 506 | | | | | |
| 1. | B.com | 'C' | M. Gopi | X | X | X | a | X | X | |
| 2. | " | " | D. Harinath | a | X | X | a | a | X | |
| 3. | " | " | J. Jayanthan | a | a | a | a | a | a | |
| 4. | " | " | J. kavushik | X | X | X | X | X | X | |
| 5. | " | " | S. Meshak Santhosh | a | a | a | X | a | X | |
| 6. | " | " | M. Meneshwaran | X | X | X | X | X | X | |
| 7. | " | " | S. Naveen Kumar | X | X | X | X | X | X | |
| 8. | " | " | M. Parthiban | X | a | a | X | X | X | |
| 9. | " | " | R. Rakesh Prabhu | a | X | X | X | X | a | |
| 10. | " | " | k. Ren Kumar | X | X | X | a | X | X | |
| 11. | " | " | U. Shankar | a | a | X | X | a | X | |
| 12. | " | " | M. yuvarajan | X | a | a | X | X | X | |
| 13. | B.com | 'D' | A. Elamurasu | X | X | X | X | X | X | |
| 14. | " | " | C. Harish | a | a | X | a | a | X | |
| 15. | " | " | M. Mak | X | X | X | X | X | X | |
| 16. | " | " | M. Naveen | a | a | a | a | a | a | |
| 17. | " | " | R. Raghul | X | X | X | X | X | X | |
| 18. | " | " | E. Rajesh | a | X | a | a | X | X | |
| 19. | " | " | M.R. Rajesh | a | a | a | a | a | X | |
| 20. | " | " | M. Ramesh Krishna | X | X | X | X | X | X | |
| 21. | " | " | P. Sanjay | X | X | X | X | X | X | |
| 22. | " | " | E. Vignesh | a | a | X | X | X | X | |
| 23. | " | " | V. Ganesh | a | a | a | a | a | X | |

Signature of the staff

(Handwritten signatures and initials)



(Handwritten signature)
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JAYA COLLEGE OF ARTS AND SCIENCE

THIRUNINRAVUR - 602 024

REMEDIAL CLASS - Maths SHEET

| STRENGTH | | | SUBJECT NAME | STAFF NAME | | | | | |
|----------|------------|-----|-----------------------------|------------------------|-------|----|----|----|----|
| | | | <u>Corporate Accounting</u> | <u>K. Dharmasekari</u> | | | | | |
| S.No | Department | | Name of the Candidate | 30/10 | 20/10 | 11 | 21 | 31 | 41 |
| | | | | 30 | 30 | 30 | 30 | 30 | 30 |
| 1. | B.com | 'c' | M. Gopi | 15 | 15 | 20 | a | 23 | 24 |
| 2. | " | " | D. Harinath | a | 15 | 20 | a | a | 21 |
| 3. | " | " | J. Jayanthan | a | a | a | a | a | a |
| 4. | " | " | J. Koushik | 15 | 15 | 17 | 19 | 20 | 21 |
| 5. | " | " | S. Meshak Santhosh | a | a | a | 20 | a | 24 |
| 6. | " | " | M. Maneshwaran | 15 | 15 | 23 | 21 | 24 | 25 |
| 7. | " | " | S. Naveenkumar | 20 | 15 | 22 | 20 | 18 | 17 |
| 8. | " | " | M. Parthiban | 30 | a | a | 15 | 18 | 20 |
| 9. | " | " | R. Rakesh Prabhu | a | 15 | 20 | 22 | 24 | a |
| 10. | " | " | K. Ren Kumar | 20 | 15 | 25 | 24 | 23 | 21 |
| 11. | " | " | U. Shankar | a | a | 20 | a | a | 20 |
| 12. | " | " | M. Yuvrajjan | 15 | a | a | 15 | 18 | 17 |
| 13. | " | ⊙ | A. Elamurasu | 20 | 15 | 16 | 18 | 20 | 22 |
| 14. | " | " | C. Harish | a | a | 24 | a | a | 19 |
| 15. | " | " | M. Mak | 20 | 15 | 23 | 22 | 21 | 20 |
| 16. | " | " | M. Naveen | a | a | a | a | a | a |
| 17. | " | " | R. Raghul | 20 | 15 | 20 | 24 | 23 | 22 |
| 18. | " | " | E. Rajesh | a | 15 | a | a | 24 | 22 |
| 19. | " | " | M. R. Rajesh | a | a | a | a | a | 20 |
| 20. | " | " | M. Ramesh Krishna | 20 | 15 | 21 | 24 | 22 | 23 |
| 21. | " | " | P. Sanjay | 20 | 20 | 21 | 24 | 22 | 22 |
| 22. | " | " | E. Vignesh | a | a | 20 | 24 | 25 | 20 |
| 23. | " | " | V. Ganesh | a | a | a | a | a | a |

Signature of the staff

(Handwritten signatures and initials)



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JAYA COLLEGE OF ARTS & SCIENCE
THIRUNINRAVUR-602 024

JAYA COLLEGE OF ARTS & SCIENCE

(AFFILIATED TO UNIVERSITY OF MADRAS) - (APPROVED BY GOVT. OF TAMIL NADU)

C.T.H.ROAD, THIRUNINRAVUR, CHENNAI-602 024.

☎ : 044-26300251, 26390808

Web : www.jcas.in

E-mail: info@cas.in



ATTENDANCE AND ASSESSMENT RECORD

Subject / Subject Code : CZ22A / CP23A

Department of Student : Commerce

Year / Semester : 2nd year / 3 semester

Period : From June 2022 to 20

| Name of the Staff | Department | Designation | Subject Handled | | Total Hrs. |
|-------------------|------------|---------------------|-----------------|----|------------|
| | | | From | To | |
| K. Phanabekari | Commerce | Assistant Professor | | | |
| | | | | | |

ATTENDANCE

| Roll No. | Hostel / Day Scholar | Name of the Student | Date Month Period | 14 | 15 | 16 | | | | | | | | | | | | | | | |
|---------------------------------|----------------------|----------------------|-------------------|----|----|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | 09 | 09 | 09 | | | | | | | | | | | | | | | |
| 1. | | AKASH | .E | X | X | X | | | | | | | | | | | | | | | |
| 2. | | ATUL KUMAR | .R | X | X | X | | | | | | | | | | | | | | | |
| 3. | | AJITH KUMAR | .M | ab | ab | ab | | | | | | | | | | | | | | | |
| 4. | | BHUVANESH | .R | ab | ab | ab | | | | | | | | | | | | | | | |
| 5. | | DHANUSH | .P | X | X | ab | | | | | | | | | | | | | | | |
| 6. | | DHANASEKARAN | .T.J | ab | X | X | | | | | | | | | | | | | | | |
| 7. | | DILLI | .K | X | X | X | | | | | | | | | | | | | | | |
| 8. | | EWAN EZRONE | .S | ab | X | ab | | | | | | | | | | | | | | | |
| 9. | | MONISH KUMAR | .K | ab | ab | X | | | | | | | | | | | | | | | |
| 10. | | NAVEEN KUMAR | .T | ab | ab | X | | | | | | | | | | | | | | | |
| 11. | | RAMESHWARAN | .S | ab | X | X | | | | | | | | | | | | | | | |
| 12. | | ROGAN | .N | ab | ab | ab | | | | | | | | | | | | | | | |
| 13. | | SHAGAR | .M | X | ab | X | | | | | | | | | | | | | | | |
| 14. | | SIVA PRAKASH | .S | ab | X | X | | | | | | | | | | | | | | | |
| 15. | | YUVARAJ | .T | ab | ab | ab | | | | | | | | | | | | | | | |
| 16. | | KARTHIKA | .M | X | X | X | | | | | | | | | | | | | | | |
| 17. | | NALINI | .S | X | X | X | | | | | | | | | | | | | | | |
| 18. | | PARAMESHWARI | .S | ab | X | X | | | | | | | | | | | | | | | |
| 19. | | PRIYA DHARSHINI | .U | X | X | ab | | | | | | | | | | | | | | | |
| 20. | | VARSHA | .A | ab | X | X | | | | | | | | | | | | | | | |
| 21. | | DEEPAK | .G | ab | X | X | | | | | | | | | | | | | | | |
| 22. | | KARTHIK | .V | ab | ab | X | | | | | | | | | | | | | | | |
| 23. | | LAKSHMANAN | .C | X | X | ab | | | | | | | | | | | | | | | |
| 24. | | PRAVEEN SANTHA KUMAR | .P | X | X | X | | | | | | | | | | | | | | | |
| 25. | | SARATHI | .S | X | X | X | | | | | | | | | | | | | | | |
| 26. | | SURIYA GANESH | .K | X | X | X | | | | | | | | | | | | | | | |
| 27. | | TAMIL SELVAN | .S | ab | X | X | | | | | | | | | | | | | | | |
| 28. | | YASWANTH | .K | X | X | X | | | | | | | | | | | | | | | |
| TOTAL NUMBER OF STUDENTS ABSENT | | | | 15 | 08 | 08 | | | | | | | | | | | | | | | |
| INITIALS OF STAFF | | | | h | h | h | | | | | | | | | | | | | | | |

h h h



Principal's Signature

PRINCIPAL
 JAYA COLLEGE OF ARTS & SCIENCE
 THIRUNINRAVUR-602 024

| | Test I | Test II | Test III | Test IV | Test V |
|-----------|----------|---------|----------|---------|--------|
| | 15/9/22 | | | | |
| | 30 marks | | | | |
| Akash | 25 | | | | |
| ATUL | 23 | | | | |
| Ajith | ab | | | | |
| Bhuvanesh | ab | | | | |
| Dhanush | 26 | | | | |
| Dhona | 24 | | | | |
| Dilli | 21 | | | | |
| Ewan | 26 | | | | |
| monick | ab | | | | |
| Naveen | ab | | | | |
| Ramesh | 20 | | | | |
| Rogan | ab | | | | |
| Shagun | ab | | | | |
| Siva | 20 | | | | |
| | ab | | | | |
| Yuvraj | 30 | | | | |
| Karthika | 27 | | | | |
| Nalini | 22 | | | | |
| Paromesh | 21 | | | | |
| Priya | 28 | | | | |
| Varsha | 24 | | | | |
| Deepak | ab | | | | |
| Karthik | 20 | | | | |
| Pankesh | 20 | | | | |
| Saunav | 21 | | | | |
| Sasathi | 24 | | | | |
| Sudhika | 20 | | | | |
| Tamil | 23 | | | | |
| Uswanth | | | | | |

Total Strength

28

APPEAR

20

PASS

20

FAIL

NIL

PASS %

100%



PRINCIPAL
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 CHANNARAVUR-602 024



Unit-V

1. Explain the characteristics of co-ordination.
2. State the principles of co-ordination.
3. Discuss the nature of control.

PART C

Unit-I

1. What are the general principles of Management laid down by Henry Fayol?
2. Explain the basic characteristics of Management.
3. Explain the function of Management.

Unit-II

1. Explain the various steps involved in planning.
2. Briefly explain the various steps involved in the process of decision making.

Unit-III

1. Write the types of organization and its merits and demerits.
2. Explain the principles of organization.
3. What is functional organization? What are the advantages and disadvantages?

Unit-IV

1. Discuss the steps involved in the process of selection of employee.
2. Describe the various methods of training.
3. Various types of interview.

Unit-V

1. Discuss the various stages in the process of control.
2. Explain the techniques of control.
3. What are the requirements of an ideal control system?



PART B

Unit-I

1. What are the values functions of top Management?
2. Examine whether Management is an art or science.
3. Explain the techniques of scientific Management by f.w Taylor.
4. What are the differences between Management and Administration?
5. Discuss the classification of business activities.

Unit-II

1. How to overcome limitations of Planning.
2. Discuss the process involved in making decision.
3. What are the features of decision making?
4. Mention the guideline for effective decision making.
5. What are the different kinds of policies?

Unit-III

1. Explain briefly the process of organization.
2. Explain the merits of military types of organization.
3. Difference between formal organization from informal organization.
4. Write the advantages of line and staff organization.
5. Discuss the need and importance of departmentalization.

Unit-IV

1. Discuss the process of elements of delegation.
2. Difference between delegation of authority and decentralisation.
3. Discuss briefly the different types delegation.
4. Explain the various sources of recruitment.
5. Explain the need for training.



Unit-III

1. State the organisation characteristics.
2. What is formal organization?
3. Write a note informal organization.
4. Write short note on organational chart.
5. Write note on span control.
6. What are the uses of organization chart?
7. What is meant by departmentation?
8. What is committee?
9. State the types of committee.
10. Write a short note on forecasting.

Unit-IV

1. What does Authority mean?
2. Define the concept of delegation.
3. What are the elements of delegation?
4. What are the different sources of reculant?
5. Define Training.
6. What is panel interview?
7. What is forward looking?
8. Give any 2 advantages of decentralisation.

Unit-V

1. What does directions?
2. State the importance of directing.
3. Define co-ordination.
4. What do you understand by the team co-ordination?
5. What are the different types of co-ordination?
6. State any 3 advantages of co-ordination.
7. Mention any 2 problem of co-ordination.
8. What is meant by contrast?



Question Bank

Class : I - B.COM, B.COM(CA)
Subject: Principles of Management

Subject Code:145C1B

PART A

Unit-I

1. What do you mean by Management?
2. Define Management.
3. Who is the father of Management.
4. What are the features of Management?
5. State the different level of Management.
6. What are the functional areas of Management?
7. What is Administration?
8. State the features of Management.
9. What are the objectives of time study?
10. Expand "PODSCORB".

Unit-II

1. State the meaning of Planning.
2. Define Planning.
3. State any 4 limitations of Planning.
4. Briefly explain the types of plan.
5. Define objectives.
6. What do you mean by decision planning?
7. Define MBO.
8. Expand the term MBO and MEB.
9. Give any 2 advantages of MEB.
10. What do you mean by producer.

Unit-3
ORGANIZING
Section-A

- 1. What is organizing?**
The process of implementation of plans by classifying job work to achieve desired goals.
- 2. What is formal organisation?**
It provides for official relationship between the individuals. It has well-established rules and procedures.
- 3. Define Informal Organisation**
According to Chester Barnard "Informal organisation brings cohesiveness to formal organisation, a feeling of belonging, of status of self-respect and o
- 4. What do you mean by departmentation?**
It is a process of dividing and grouping the activities in to various departments.
- 5. What is Process or Equipment Departmentation?**
This type of departmentation emphasis on manufacturing process of the product. To convert raw material into finished goods.
- 6. What is functional Departmentation?**
In this type, organisation is divided into units based on their functions or tasks or duties. For example., Purchase Department concentrates on purchase of raw materials.
- 7. What is product based departmentation?**
It refers to subdivision of organisation into units based on products, commodities, or merchandise etc., for example., Stationary Section, plastic section.
- 8. What is Territorial Departmentation?**
Under this, Departments were formed based on locations. Generally, organisation may spread their business by way of opening of branches.
- 9. What is customer Departmentation?**
Under this, departmentation is classified based on customers purchases i.e., bulk purchasing customer, retail Foreign customer etc.
- 10. Explain briefly the concept of Line Organisation**
In this type of organisation, line of authority flows downwards vertically. It is the oldest type of organisation and it is followed in the military.
- 11. Give the meaning of the term 'Span of supervision' or 'Span of management' or 'span of control'.**
It refers to number of subordinates that report directly to a single manager or superior.
- 12. What is informal organisation.**
It is desire to work together to achieve common objective. It is pre-determined by top management.
- 13. What is meant by organisation chart?**
Organisational chart is a graphic portrayal of the various positions in the enterprise and the formal relationships among them.
- 14. What is functional organization?**
 - The concept was developed by F.W. Taylor.
 - It is based on operating executives receive order from several specialist.
- 15. What is line and staff organisation?**
It is a pattern of authority in line of organisation is supported with specialist or expert in the field.
- 16. What is project organisation?**

18. What are all the function management? Planning, organising, staffing, directing, co-ordinating, controlling

Unit -2

PLANNING

Section-A

It refers to the behaviour of members in the organisation. It means 'Do's and 'Don'ts in the organization.

1. **Define planning.**
 - Planning is the first and foremost function of management.
 - It is future oriented.
2. **What are multi-use plans?**

These plans can be used repeatedly. These are also called as repeated use or standing plans.
3. **What is single-use-plans?**

These plans were only used once. After usage, these plans cannot be used for any other problems.
4. **What is plan?**

It refers to goals, targets, aim, purposes etc. it provides as a guide for the organization's activities.
5. **What is strategy?**

It is designed to achieve the targets in case of difficulties. It is a complex plan designed to bring the organisation.
6. **What is a policy?**

It is a guide to think and take appropriate actions.
7. **What is a procedure?**

It refers to the steps to be performed to finish the desired task.
8. **What is meant by MBO?**
 - This technique was developed by Peter.F. Drucker.
 - It facilitates the performance of all management functions.
9. **What is a rule?**
10. **What is programme?**
 - It is a sequence of activities directed towards achievement.
 - It shows the content and scope of activities.
11. **What is a budget?**
 - It is expressed in numerical terms.
 - It is standard of measuring actual performance.
12. **What is a schedule?**

It is the process of establishing a time sequence for the work to be done.
13. **What is decision – making?**

Decision making is process of choosing the best alternative from available objectives.
14. **What is MBE?**

It is a management technique by which a manager concentrates only on exceptional deviations.
15. **What is BEP analysis?**

It is required to cover total cost. Total profit at the break-even point is zero.
16. **What are the different kinds of policies?**

External, internal, applied, explicit, implicit policies.

PRINCIPLES OF MANAGEMENT

UNIT -1

Management

Section-A

1. **Define management.**
According to Harold koontz, "management is- the art of getting things done through and with people in formally groups".
2. **What is management?**
Management is the art of knowing what you want to do; then seeing that it is done in the best and cheapest way.
3. **List out the different levels of management or classify the levels of management on the basis of functions.**
 - a. Top management
 - b. Middle management
 - c. Lower management
4. **What is administration?**
It is generally regarded as a higher level activity it is mainly concerned with broad policies.
5. **What is scalar chain?**
 - It explains the relationship between authority & reasonability.
 - It is a direct form of communication.
6. **Write a note on "time study".**
Time study or work measurement is designed to establish the standard time required to carryout a job under specified conditions.
7. **Write a short on lower level management.**
Supervisory management is the lowest level of management. It consists of superintendent, foreman and front line supervisors and sales officers.
8. **What is unity of command?**
A principles states that one's sub-ordinate should have only one superior.
9. **Explain the term "motion study".**
It is a study of workers and equipment movements to eliminate wastage of time and other resources.
10. **Explain the concept of "time study".**
It is a study specifically designed to measure the standard time to be taken to finish the job in a certain situation.
11. **What is "Espirit de corps"?**
 - It means union strength
 - It promotes team spirit and co-operation among workers.
12. **What is unity of direction?**
Unity of direction means one head & one plan for a group of activities having the same objectives.
13. **What is division of work?**
 - It simplifies the work
 - It reduces wastage
 - It increases the efficiency of individual employees.
14. **Who is the father of management?**
Henry fayol
15. **Who is father of scientific management?**
F.W Taylor
16. **Who is the father of modern management?**
Peter.F.Drucker
17. **Expand "PODSCORD"?**
Planning, organising, staffing, directing, co-ordinating, reporting and budgeting.

gories who are to be offered employment and not to be.

12. What is interview?

An interview is a face-to-face oral examination of a candidate by an employer.

13. Types of test in interview?

Aptitude, intelligence, proficiency, interest, personality.

14. What is recruitment?

It is the process of searching out the potential applicants.

15. What is training?

Training is a program organised by the organisation to develop knowledge and skills to the employees.

16. What is performance appraisal?

The process of making an assessment of the performance of the employees.

17. What is motivation?

It induces a person to work efficiently.

18. What is financial incentive?

High up salary, bonus, profit sharing, commission, increment.etc.,

19. What is non-financial incentive?

Job security, challenging work, recognition, better designation, opportunities for, advancement competition.

20. Explain the theories of motivation?

Maslow-need hierarchy theory, MC Gregor's-X&Y theory, Herz-

berg-two factor theory, MC Chelland-need theory, Vroom's-expectancy theory.

18. What is incentives?

Any reward or benefit given to the employee over and above is wage or salary to motivate his work.

19. What is remuneration?

It is a payment or compensation received for services or employment during in the period of work.

20. What is leadership?

Any person who act has a natural role in organisational with leadership qualities.

21. Explain the need for training?

- To enable a new recruits understand work
- To enable existing employees to update of skills & knowledge
- It helps to understand their responsibilities.
- An employee to become versatile.
- To adopt changes in looking method.

22. What are the methods of training?

On the job, off the job

ON THE JOB:

- Induction training
- Apprenticeship training
- Refresher training
- Job relation
- Placement as assessment
- Vertical training

OFF THE JOB:

- Lectures and conference
- Rote playing
- Case study
- Management games
- Brain storming

According to Koontz and O' Donnell, "the management function of staffing involves manning the organizational structure through proper and effective selection."

14. What is recruitment?

It is a positive process of grooming many applicants for filling up the vacancy posts prevailing in the organization.

15. Explain the term selection.

It is a process of filling the vacancies after several rounds of interview and discussion.

16. What is orientation?

Orientation also called as induction. It refers to the activities involved in educating the new candidate relating to the history of the organization.

17. What is directing?

It is the function of the management that directs the subordinates to work efficiently to achieve the organizational goal.

Unit-5
CO-ORDINATION
Section-A

1. Define coordination.

According to Henri Fayol, "To coordinate is to harmonize all the activities of a concern so as to facilitate its working and its success"

2. Explain the concept of coordination.

It is an integrative function of management. It combines all the departments and workers to unify their actions into achievements of goals.

3. Explain the term 'control'.

It is a process whereby standards will be set, analysing the actual performance comparing standards and actual performance, and finally correcting the deviations.

4. What is budgetary control?

- It is a managerial control
- Planned in advance in the form of budgets to analyse the result.

5. Write any 3 problems of the control function.

- Management of change
- Time rate of change
- Erroneous standards

6. What is direction?

Direction is the process of guiding people in their work and ensuring that they do it in the best possible manner.

7. Importance of direction?

Provides guidance

Ensure effective control

8. Techniques of coordinating?

Balancing, timing, integrating

9. What is promotion?

It is an upward movement to higher level job that gives higher salary, greater authority.

10. What is demotion?

An employee who has been demoted will move from a higher position to a lower position.

11. What is selection?

Selection is the process in which candidates for employment are divided into two cate-

The project manager is responsible for quadrating and controlling the various activities of the project.

17. Define matrix form of organisation.

According to S.M. Davis and P.R. Lawrence, it is defined as, "any organisation that employs a multiple command system"

18. What is committee organisation?

It constitutes group of persons, formed to discuss the problems and to recommend solutions for the problems.

**Unit - 4
AUTHORITY
Section - A**

1. What do you mean by authority?

Authority is a right to decide and to direct others to perform certain duties in achieving the organisational objectives.

2. Explain written and unwritten delegation.

Written organisation: Delegation made by written order and instructions is known as written delegation.

Oral delegation: unwritten or oral delegation is based on custom and conventions.

3. What is power?

It is the ability and capacity of the superior to exert influence on the workers and to get work done.

4. What do you mean by splintering of authority?

It refers to scattering of authority. A superior alone cannot take the decision; he needs to take decisions action jointly after consulting with co-superiors.

5. What is line authority relationship?

It is referred as, superior's direct control over subordinates. Superior can influence the subordinate directly.

6. What is staff authority relationship?

Superior's can work only if support staff is assisted. If the support staff is assisted to the superior, then it is known as staff authority.

7. What is functional authority?

In staff authority relationship, staffs will assist and give advices to line executives : if they are given authority to issue instructions and orders to line executives within the limits.

8. Define responsibility.

According to Louis A. Allen, "it refers to the mental and physical activities which must be performed to carry out a task or duty.

9. What is accountability?

It means answerability. It is the obligation to finish the assigned the responsibility and exercise authority to finish the job.

10. What is delegation of authority?

In an organisation, one person cannot perform all the work. The work has to be distributed equally in order to follow the principle of division of labour.

11. What is decentralisation?

It refers to distribution of authority throughout the organisation. It is the end result of delegation.

12. Define centralisation.

According to Louis A. Allen, it is defined as, "centralisation is the systematic and consistent reservation of authority at central points within an organisation"

13. Define staffing.

29. Differentiate MC McGregor's X and Y theory?

| X THEORY | Y THEORY |
|-------------------------------------|------------------------|
| Negative approach | Positive approach |
| Dislike work | Like work |
| People are unambitious | Ambitious |
| People like creativity | Good creative work |
| Voluntary accept responsibility | No such responsibility |
| No preference for learning anything | Updating knowledge |
| Close supervision | Self-director |

30. Differentiate training and development?

| S. NO | TRAINING | DEVELOPMENT |
|-------|--|--|
| 1 | It is provided for operative level employees | Meant for executives |
| 2 | It is concerned with teaching job related skills | Concerned with improving conceptual & decision making skills |
| 3 | Focus on the present | Focus is on the future |
| 4 | It is formal process | Both formal and informal process |
| 5 | It has a specified time period | It is a continuous manner |
| 6 | Short term ori- | Long term orientation |

| | entation | |
|---|-----------------------|------------------------|
| 7 | Focus is on the roles | Focus is on the person |

31) what are the steps involved in selection of candidates?

The process of selection involves the following stages:

Stage 1 – receiving application form

Stage 2 – scrutiny

Stage 3 – preliminary interview

Stage 4 – test

Stage 5 – final interview

Stage 6 – checking references

Stage 7 – medical examination

Stage 8 – appointment

Stage 9 – prohibition

Stage 10 – confirmation of servies

- Forced distribution method
- Essay method
- Paired compared method

MODERN METHOD:

- 360 feedback
- MBO
- Assessment centre
- Behaviourally anchored ranking method.

25. Define Maslow need hierarchy theory.

- Physiological needs – basis or primary needs.
- Safety needs – security needs
- Social needs – relationship
- Self-actualisation needs- desire.
- Esteem needs – capable of achieve.
- Human needs – five categories.

26. Define Herzberg two factor theory?

FACTOR INFLUENCE

**Hygiene
Motivational**

HYGIENE:

No motivation leads to dissatisfaction

- Company policies
- Types of supervision
- Inter personal relationship
- Working condition
- Salary
- Job security

MOTIVATIONAL:

Presence of intrinsic factory:

- Work itself
- Achievement
- Recognition
- Growth
- Responsibility.

27. Explain McClelland need theory?

Induce people to work :
Achievement need
Affiliation need
Power need

ACHIEVEMENT NEED:

Only a few people desire to achieve goal.

AFFILIATION NEED:

To fulfil offer obligation.

POWER NEED:

Skills knowledge intelligence

28. Explain vroom's expectancy theory?

Motivation in various concept

Motivation = valence X Expectancy X instrumentality.

MOTIVATION:

Strength of the person desire for a particular outcome.

VALENCE X EXPECTANCY:

To fulfil other obligations

- Believe this effort leads the performance.

INSTRUMENTALITY:

Outcome

E.g: sale

- Target attainment
- Commission

• Sensitive training

ON THE JOB:

A) INDUCTION TRAINING:
It is also known as orientation training. It is required of all new employees.

B) APPRENTICESHIP TRAINING:
This is traditional method of training. New employees are provided training under a qualified senior worker.

C) REFRESHER TRAINING:
The object of training is to enable the work to update their job knowledge.

D) JOB RELATION:
This kind of the training enables an employee to become well versed in different activities of a concern.

E) PLACEMENT AS ASSISTEMENTS:
This method of training is more suitable for executives.

F) VERTIUAL TRAINING:
It refers to a training school established within the factory premises.

OFF THE JOB:

A) LECUTRES AND CONFERENCE:
It is helpful to the employees to receive experts thoughts & ideas.

B) ROLE PLAYING:
A specific organisational programme problem may

be explained to training group each participant.

C) CASE STUDY:
The trainee's argument as organisational problem in written form.

D) MANAGEMENT GAMES:
The trainer specifies a certain solution.

E) BRAIN STORMING:
The participants may express they new feeling without having to bother about what others would think ideas.

F) SENSITIVE TRAINING:
The objects of training are to promote good human relationship among the trainees. It is also called as T-group training.

23. What are the factors of performance appraisal?

FACTORS:

- Job knowledges
- Quality & quantity of output
- Initiative
- Commitment
- Co-operation
- Learning abilitssy.

24. What are the methods of performance appraisal?

Traditional method
Modern method

TRADITONAL METHOD:

- Rating scale method
- Ranking method
- Checklist method
- Critical incidents method
- Forced choice method

13. Define holding company.

- A holding company is one of that holds either the whole of share or capital or majority of the shares. i.e, More than 51% of holding in or more companies so as to have a controlling interest in other companies.

14. What is gross holding?

- When the shares are held by both companies in each other is called gross holding.

15. What is reserve fund?

- A reserve fund is the money kept apart for attaining specific goods in future as & when it occurs so that the event can be met.

16. What is mutual obligation?

- Elimination of common transaction is called as mutual obligation. The holding company and the subsidiary company may owe money to other due to common transaction.

17. What is stock revenue?

- ✓ If the goods are sold at a profit by the subsidiary to the holding company or by holding company to the subsidiary company.
- ✓ This profit is called stock reserve.

- ✓ For example: If the business of existing company X Ltd is taken over by another company Y Ltd.

6. What do you mean by Amalgamation?

- The term Amalgamation is used when two or more companies into liquidation and new company is formed to take over their business.

For Example: If a new company XY Ltd. Is formed to take over the business of two existing companies, X Ltd and Y Ltd

Holding Company

1. Define subsidiary company

- A subsidiary company is a company that is owned and controlled by holding company
- Subsidiary company can be a company or corporation or limited liability company.
- In some case it is a government or state – owned enterprises.

2. What is holding company?

- A company may acquire either the whole or majority of the shares of another company so have controlling interest in such a company or companies. The controlling company is called as holding company.

3. What are revenue profits?

- Any profit earned by subsidiary company after date of acquisition is called as revenue profits..

4. What do you understand by capital profit

- Any profit or reserve standing in the balance sheet of subsidiary company on the date of purchase of shares by the holding company is called capital profit.

5. What is minority interest?

- A part of the share capital of a subsidiary company may be held by outsiders.
- This interest of the outsiders is to be shown as minority interest.

6. What do you mean by revenue profit?

- The profits earned and losses incurred by the subsidiary in the post acquisition period are treated as revenue profits and revenue losses respectively.

7. What do you mean by subsidiary company?

- The company whose shares have been acquired is known as “subsidiary company”

8. What is mutual owing?

Mutual owing is also known as intercompany transaction.

- Loans advanced.
- Bill of exchange drawn.
- Sale or purchase of goods on credit.
- Debentures issued.

9. What do you mean by unrealized profit on stock?

- The companies of the same group have sold goods to each other at the profits and goods fill remain unsold at the end of the year company to whom the goods are sold.

10. What is consolidation of balance sheet?

- Consolidated balance sheet means combining the balance sheet of holding and its subsidiary company together.

11. What are contingent liability?

- Liability that may be incurred by an entity depending on the outcome of a uncertain future event.

- ✓ In simple term an asset is tagged as on performing when it ceases to generate income for lender.
6. What do you mean by branch adjustment?
 - It is inter- office adjustments balances, if in credit it should be shown in schedule No 5
 - If in debit it should be in shown in schedule No 11.
 - Only net position of inter- office accounts, inland as well as foreign should be shown here.
 7. What is money at call and short notice?
 - It includes deposits repayable within 15 days or less than 15 days' notice lent in the inter- bank call money market.
 - Namely with bank or with other institution.
 8. What is called bank overdraft?
 - When a current account customer is permitted to draw more that what to his credit is called bank overdraft.
 9. What is statutory reserve?
 - Statutory reserve means that at least 25% of the profit prior to declaration of dividend must be transferred to the reserve fund.
 10. What are the types of deposits?
 - Fixed deposit
 - Cumulative deposit
 - Saving deposit
 - Recurring deposit
 - Cash certificate
 - Current accounts

Amalgamation, Absorption and External Reconstruction

1. What is purchase consideration?
 - Purchase consideration is define as " the aggregate of the shares and other securities issued and payment made in the form of cash or other asset by the transferee company to the shareholders of the transferor company"
2. What is Net asset method of purchase consideration?
 - ✓ It is method used calculate the net asset value by deducting all the liabilities taken over by the transferee company from the entire asset taken by the transferee company.
 - ✓ The value of the assets and liabilities is not that appear in the balance sheet but it is that which is deducted between the two companies.
3. What is external reconstruction?
 - ✓ When an existing company is liquidated and anew company is formed with the same shareholders to take over the business. It is called as external reconstruction.
 - ✓ Sick companies with accumulated losses usually undergo such reconstruction.
4. List out the methods of purchase consideration?
 - ✓ If all the modes of discharging the purchase consideration are given along with their individual amount – Net payment to shareholders basis should be used
 - ✓ In other case – Net Assert over basis Should be used
5. What do you mean by Absorption?
 - ✓ When one existing company take over the business of one or more existing companies it is called as Absorption
 - ✓ The companies whose business is taken over are liquidated. No new company is formed.

10. List out the order of payment at the time of liquidation.

- The amounts realized from the assets not specifically pledged and the amounts contributed.
 - a) Legal charges.
 - b) Liquidator remuneration.
 - c) Cost of expenses of winding up.
 - d) Preferential creditors.
 - e) Creditors secured creditors.
 - f) Creditors secured by floating charge.

11. Calculation of liquidator remuneration.

- Percentage on asset realized.
- Percentage on amount distributed to unsecured creditors.
- Percentage on amount distributed to equity shareholders.

12. What is meant by compulsory winding up?

- A compulsory winding up occurs by an order of the court made on a petition filed by the company, its creditors or shareholders.

13. What are unsecured creditors?

- The amount borrowed without any mortgage of any asset is called unsecured creditor.

14. What is meant by liquidator's final statement of account? 4 times

- ✓ The liquidator is required to keep proper books to record receipts and payments which are known as liquidator's final statement.
- ✓ The liquidator has to submit a report along with audited final account to the CRO.
- ✓ The liquidator has to submit the statement to the court in the case of compulsory liquidation and to the company in a voluntary liquidation.

Banking Company Accounts

1. Definition of Banking. 2 times

- ✓ Banks in India and their activities are regulated by the banking regulation Act, 1949 under sec 5(b)
- ✓ Banking means accepting deposits of money from public for the purpose of lending.
- ✓ Those deposits are repayable on demand and can be withdrawn by cheque, draft or otherwise.

2. Define statutory liquidity ratio.

- ✓ Statutory liquidity ratio (SLR) is the Indian government term for reserve requirement that the commercial bank in India requires to maintain in the form of gold, government approved securities before providing credit to the customer.
- ✓ SLR is determined by a percentage of total demand and liabilities.

3. What do you mean by performing assets? 3 times

- ✓ An asset becomes non-performing asset when it does not create any income for a bank. Therefore sub-standard advances of bank are classified as non-performing assets.

4. What is rebate on bills discounted or unexpired discount? 5 times

- Unexpired discount is a discount Rebate on bills discount in advance due to maturity date of bill discount is beyond the closure of accounting year

5. What is Non-performing assets or Non-banking assets? 5 times

- ✓ A Non-Performing Asset (NPA) is defined as credit facility in respect of which the interest and /or installment of principal has remained past due for specified period time.

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Liquidation

1. Define liquidation 2 times

- It is a process by which a company is closed.
- All assets of company are realized and settlements of liabilities are made.
- The remaining balance is paid back to the shareholders in their contribution ratio.

2. What are the made of winding up?

- Winding up is a process by which a company is dissolved.
- During winding up company assets are sold and applied in payment of debts.

3. Who is a liquidator? 2 times

- At the time of winding up of company, an official person is appointed by court.
- He carryout all the proceedings in relation with the winding u of company for realization.
- His remuneration is fixed at the time of appointment.

4. What do you mean by liquidator final statement of account?

- An official person is appointed by court or any other person of a company.
- A statement is prepared by him is called liquidators final statement of accounts.

5. Who are preferential creditors? 5 times

- ✓ Preferential creditor includes the amount payable government and employees, taxes, fees, electricity charges, water supply charge etc are the examples of payable due to government.
- ✓ Similarly Salaries and wages, provident fund, gratuity and other amount payable to the employee are the some examples of due to employees.
- ✓ Preferential creditors are one who has preferential rights in claiming their dues and payment at time of settlement of the company comparing to other creditors.

6. What is voluntary winding up?

- A company is wound up either by member or creditors.
- It takes place by passing on resolution in the general meeting.

7. Who is secured creditors?

- The amount borrowed against mortgage of any asset is called secured creditor.
- It may partly secure or fully secured.

8. Write a note on member's voluntary winding up company?

- When the members of the company decide to wind it up even when its financial position is so sound that is can pay all its debts, the winding up is called pay all its debt, the winding up is called "members" voluntary windings up.

9. What do you mean by statement of affairs?

- The statement to be prepared and submitted by the officers and directors of a company according to sec 454 and 511A, within 21 days of the tribunal's order is known as statement of affairs.

UNIT III – Dividend policy

Dividend is a taxable payment declared by a firm board of directors and given to shareholders.

Methods:

1. Walter model:

$$\text{Market Price} = \frac{D + \frac{r}{k}(E - D)}{K}$$

Where

- ❖ D – Dividend per share X Payout
- ❖ r - Rate of return
- ❖ k – cost of capital
- ❖ E – Earning per share

2. Gordon model:

$$\text{Market Price} = \frac{D}{K - g}$$

g = Retention ratio X rate of return

Where

- ❖ D – Dividend per share X Payout
- ❖ r - Rate of return
- ❖ g – Growth rate
- ❖ k – cost of capital

3.MM Model :

A. If dividend declared:

$$\text{Market price}(P1) = P_0 \times (1 + ke) - D1$$

B. Calculation of number of shares:

| Particulars | Rs | Rs |
|---------------------------------------|----|----|
| Investment proposed | Xx | |
| (-) Retained earnings | Xx | |
| Net income | | Xx |
| (-) dividend distributed | | Xx |
| Funds to be raised by issue of shares | | xx |

$$\text{No. of new issue share} = \frac{\text{Fund raised}}{\text{Mkt price}}$$

UNIT IV – Working Capital Management

Working capital is the amount of funds required for meeting day – to – day expenses of the business.

Formulas For operation cycles:

1. Raw material (RM)

$$\text{Raw Matrial} = \frac{\text{Avg stock of raw material}}{\text{Raw material consumed}} \times 365$$

2. Work in progress (WIP)

$$\text{WIP} = \frac{\text{Avg stock of WIP}}{\text{Production cost}} \times 365$$

3. Finished goods (FG)

$$\text{Finisged goods} = \frac{\text{Avg stock of Finished Goods}}{\text{cost of sale}} \times 365$$

4. Debtors

$$\text{Debtors} = \frac{\text{Debtors}}{\text{Sale}} \times 365$$

Calculation of operating cycle :

| Particulars | Rs | Rs |
|---------------------|----|----|
| Raw material | Xx | |
| Add WIP | Xx | |
| Finished goods | Xx | |
| Debtors | Xx | |
| | | Xx |
| Less Creditors | | Xx |
| Net operating cycle | | Xx |

II. Statement showing working capital requirement:

| Particulars | Rs | Rs |
|--|----|----|
| Current Assets | Xx | |
| Stock | Xx | |
| Debtors | Xx | |
| Advanced payments of expenses | Xx | |
| WIP (RM + Labour +Overheads) | Xx | |
| Finished goods | Xx | |
| Total current assets | | Xx |
| Less Current Liability | | |
| Creditors | Xx | |
| Outstanding expenses | Xx | |
| Total current Liability | | Xx |
| Net working Capital Requirement | | Xx |
| Add Contingencies | | Xx |
| Working capital requirement | | Xx |

UNIT V –Capital Budgeting

Capital budgeting is the long term planning for making financing proposed capital outlays.

METHODS:

1. Payback period:

$$\text{Payback period} = \frac{\text{Initial investment}}{\text{Annual cash flow}}$$

Calculation of annual cash flow:

| Particulars | Rs | Rs |
|------------------------------------|----|----|
| Profit before depreciation and tax | Xx | |
| (-)Depreciation | Xx | |
| Profit after depreciation and tax | | Xx |
| (-)Tax @ given % | | Xx |
| | | Xx |
| (+)Depreciation | | Xx |
| Annual cash inflow | | Xx |

2. Accounting rate of return:

$$\text{ARR} = \frac{\text{Profit after dep \& tax}}{\text{original investment}} \times 100$$

3. Net present value:

Total present value of cash inflow minus present value of cash out flow.

Cost of capital

Cost of capital is the minimum rate of returns which affirm requires as a condition for undertaking an investment.

Types:

1. Cost of redeemable debt.

$$\text{kdb} = \frac{\text{Interest before tax}}{\text{Net proceeds}} \times 100$$

$$\text{kda} = \frac{\text{Interest after tax}}{\text{Net proceeds}} \times 100$$

2. Cost of irredeemable debt.

$$\text{kda} = \frac{\text{Annual cost before tax}}{\text{Average value of debt}} \times 100$$

3. Cost of redeemable preference shares.

$$\text{kp} = \frac{\text{Dividend}}{\text{Net proceeds}} \times 100$$

4. Cost of Irredeemable Preference shares

$$\text{kp} = \frac{\text{Annual cost}}{\text{Avg of RPS}} \times 100$$

5. Cost of equity

$$\text{ke} = \frac{\text{Dividend}}{\text{Net proceeds}} \times 100$$

$$\text{ke} = \frac{\text{D ividend}}{\text{Market price}} \times 100$$

6. Cost of retained earnings.

$$\text{Kr} = \text{Ke}(1 - T) \times (1 - \text{Brokerage})$$

7. Cost of weighted average capital .

= Amount X Weights .

CLASS : III B.COM

SECTION: A,B,C& D

SUBJECT: FINANCIAL MANAGEMENT

UNIT I – Introduction

UNIT II – Capital structure

III. Net operating income method:

V. MM METHOD :

Meaning: Financial management refers to the management of flow of funds in the firm.

Capital structure: Refers to mix of source from where long term funds required in a firm may be raised

Methods of calculation

1. calculation of value of firm :

$$\text{Value of firm} = \frac{\text{EBIT}}{K_o}$$

2. calculation of market value of equity:

Market value of equity = Value of firm + Market value of debt

3. Calculation of capitalization rate:

$$K_e = \frac{\text{EAES}}{\text{Market value of equity}}$$

A. WITH TAX : Almost similar to Net income method
B. WITHOUT TAX: Almost similar to net operating income method.

Leverage

Leverage is the percentage return on equity to percentage return on capitalization

Profitability statement

| Particulars | Rs | Rs |
|----------------------|----|-----------|
| Sales | XX | |
| (-) Variable cost | XX | |
| Contribution | | XX |
| (-) Fixed cost | XX | |
| | | XX |
| EBIT | | XX |
| (-) Interest on debt | XX | |
| | | XX |
| EBT | | XX |

Operating leverage

$$= \frac{\text{Contribution}}{\text{EBIT}}$$

$$\text{Financial leverage} = \frac{\text{EBIT}}{\text{EBT}}$$

Combined leverage

$$= \frac{\text{Contribution}}{\text{EBT}}$$

Degree of OL

$$= \frac{\% \text{ change in EBIT}}{\% \text{ changes in sales}}$$

Degree of FL

$$= \frac{\% \text{ change in EPS}}{\% \text{ changes in EBIT}}$$

Definition: "Efficient use of an important economic resource namely capital fund"

Objectives:

- ❖ Maximization of wealth of shareholders.
- ❖ Maximization of profit.
- ❖ Effective utilization of funds
- ❖ Maintaining of optimum capital structure.
- ❖ Minimizing risk

Scope of Financial management:

- ❖ Financial analysis
- ❖ Financial planning
- ❖ Financial control

SOURCE OF FUNDS:

A. Long Term Funds :

- ❖ Shares
- ❖ Retained Earnings
- ❖ Debentures
- ❖ Public Deposits
- ❖ Loan From Financial Institution
- ❖ Lease Financing
- ❖ Venture Financing
- ❖ Hire Purchases Financing
- ❖ Debt Securitization
- ❖ International Financing

B. Short Term Funds :

- ❖ Trade Credit
- ❖ Bank Credit
- ❖ Customers Advances
- ❖ Installment Credit
- ❖ Commercial Papers
- ❖ Depreciation Funds
- ❖ Provision For Taxation
- ❖ Outstanding Expenses

I. EBIT - EPS Analysis:

| Particulars | Rs | Rs |
|-------------------------|----|-----------|
| EBIT | | XX |
| (-)Interest on debt | XX | |
| Interest on loan | XX | |
| Interest on borrowing | XX | |
| | | XX |
| EBT | | XX |
| (-) Tax @ given % | | XX |
| EAT | | XX |
| (-) Preference dividend | | XX |
| PAES | | XX |

$$\text{EPS} = \frac{\text{PAES}}{\text{No. Of Equity Shares}}$$

II. Net income method:

1. calculation of Market value of equity:

| Particulars | Rs | Rs |
|-----------------------|----|-----------|
| EBIT | | XX |
| (-)Interest on debt | XX | |
| Interest on loan | XX | |
| Interest on borrowing | XX | |
| | | XX |
| EAES | | XX |

$$\text{Market value of equity} = \frac{\text{EAES}}{K_e}$$

2. Calculation of value of firm :

Value of firm = Market value of equity + Market value of debt

3. calculation of overall cost of capital :

$$K_o = \frac{\text{EBIT}}{\text{Value of firm}}$$

IV. NI & NOI Method:

A.NI METHOD

Calculation of market value of equity:

| Particulars | Gearred | Ungearred |
|-----------------------|-----------|-----------|
| EBIT | XX | XX |
| (-)Interest on debt | XX | XX |
| Interest on loan | XX | XX |
| Interest on borrowing | XX | XX |
| EBT | XX | XX |
| (-) Tax @ given % | XX | XX |
| EAES | XX | XX |

$$\text{Market value of equity} = \frac{\text{EAES}}{K_e}$$

2. Calculation of value of firm :

Value of firm = Market value of equity + Market value of debt

B.NOI METHOD:

1. Calculation of market value of equity :

$$\text{Market value of equity} = \frac{\text{EBIT} (100\% - \text{Tax})}{K_e}$$

2. Calculation of value of debt:

Market Value of Debt = Debt x tax rate

3. Calculation of market value of firm:

Value of firm = Market value of equity + Market value of debt

IV. TRADITIONAL METHOD:

All calculation are done Similar to net income method

Average period of credit allowed by suppliers: 16 days

| Particulars | RS |
|--------------------------------------|-------------|
| Average total of debtors outstanding | 4,80,000 |
| Raw material consumption | 44,00,000 |
| Total production cost | 1,00,00,000 |
| Total cost of sales | 1,05,00,000 |
| Sale of the year | 1,60,00,000 |
| Value of average stock maintained : | |
| Raw material | 3,20,000 |
| Work in progress | 3,50,000 |
| Finished goods | 2,60,000 |

UNIT IV – Capital Budgeting

1. Calculate the present value of the following inflows if the rate of interest is 10% (2times)

| Year | 1 | 2 | 3 | 4 | 5 |
|-------------------|--------|--------|--------|--------|--------|
| Amount in Rs | 10,000 | 12,000 | 14,000 | 16,000 | 18,000 |
| P.V. Factor @ 10% | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 |

2. A Project cost Rs. 20,00,000 and yield annually a profit of Rs.3,000,000 after depreciation @ 10% but before tax 50% calculated payback period.

3. Initial outlay – Rs 50,000, Life of the asset – 5 years, Estimated cash flow – Rs 12,500. Calculate IRR

4. A project requires an investment of Rs.5, 00,000 and has a scrap value of Rs.20, 000 after 5 years. It is expected to yield profits after taxes and depreciation during the five years amounting Rs. 40,000, Rs. 70,000, Rs. 50,000 and Rs. 20,000. Calculate the average rate of return on investment.

University Most Repeated Ten Marks Questions

UNIT I – Introduction

1. Discuss the approaches in financial management.
2. Explain the functions of financial management.
3. Explain the objectives of financial management.

UNIT II – Capital Structure, Leverage, Cost of Capital

1. Siva Ltd .has an all equity capital structure consisting of 20,000 equity shares of Rs. 10 each. The management plan to raise Rs 30 Lakhs to a finance programme of expansion. Three alternative methods of financing are under consideration.

- A. Issue of 30,000 new shares of Rs 100 each.
- B. Issue of 30,000 8% debenture of Rs 100 each.
- C. Issue of 30,000 8% Preference shares of Rs.100 each.

The company expected EBIT is Rs.10 lakhs . Determine the EPS in each alternative assuming a corporate tax rate of 50 %. Which alternative is best & Why?

2. Arun ltd expects a net operating income of Rs.2,00,000. It has Rs.2,00,000 in 10% debentures. The overall capitalization rate is 12%. calculate the value of the firm and equity capital rate according to NOI approach.

6. Calculate the market price of a share of Pollard Ltd, under Walter model and Gordon model from the data given below:

Earnings per share Rs. 75 Dividend per share Rs.45

Cost of capital 15% Retention Ratio 40 % Rate of return on investment 18%

7. The following data is available for a company:

The earning per share (E) = Rs.8

Rate of return on investment = 16%

Return expected by shareholders = 12%

Find price of share according to Gordon's model when dividend payout is 25% and 50%

8. V Ltd earns Rs 5 per share. The capitalization rate is 10% and return on investment is 12% under Walter's model determine.

a) The optimum payout

b) The market price of the share at this payout

c) The market price of the share if the payout is 20%

d) The market price of the share if the payout is 40%

UNIT IV – Working Capital

1. Prepare an estimate working capital requirement from the following information:

Projected annual sales 2,00,000 units

Selling price Rs.8 per unit

Percentage of profit on sales 25%

Average credit period allowed to customers 6 weeks

Average credit period allowed to suppliers 4 weeks

Average stock holding in terms of sales required – 12 weeks

Allow 10% for contingencies

2. Prepare an estimate working capital requirement from the following information. (2 Times)

Projected annual sales 1,00,000 units

Selling price Rs.8 per unit

Percentage of profit on sales 25%

Average credit period allowed to customers 8 weeks

Average credit period allowed to suppliers 4 weeks

Average stock holding in terms of sales required – 12 weeks

Allow 10% for contingencies

3. From the following information relating to X ltd, calculate A) Operating cycle, B) No.of operating cycle in a year assuming a 360 day year and C) Average working capital required, If annual cash operating expenses are Rs.150 Lakh.

A. Stock holding: Raw material ; 12 months

B. W.LP : 15 days

C. Finished goods ; 1 months

D. Average debt collection period ; 2 months

E. Average payment period ; 45 days

4. From the following information extracted from the book of a manufacturing company, compute the operating cycle in days.

Period covered: 365 days

20. A company issues RS10,00,000 13% debenture at a discount of 5%. The debenture are redeemable after 5 years at a premium of 5%. Calculate before tax and after tax cost of debt, if the tax rate is 50%.
21. Aphla Ltd , issued 10% redeemable preference share of Rs.100 each, redeemable after 10 years. The floatation costs are 5% of the nominal value. Compute the effective cost of company if the issued is made at A) Par, B) At a premium of 5% and C) at a discount of 5%
22. Calculate WACC using A) Book value and B) Market value

| Source of capital | Book value (in Rs) | Market value (in Rs) | Cost % |
|-------------------------|------------------------|--------------------------|--------|
| 14 % Preference capital | 2,00,000 | 2,30,000 | 14% |
| Equity capital | 5,00,000 | 7,50,000 | 17% |
| 16% Debt | 3,00,000 | 2,70,000 | 8% |

UNIT III – Dividend

1. Details regarding three companies are give below

| A Ltd | B Ltd | C Ltd |
|--------------|--------------|--------------|
| $r=15\%$ | $r=10\%$ | $r=8\%$ |
| $K_e = 10\%$ | $K_e = 10\%$ | $K_e = 10\%$ |
| $E = Rs.10$ | $E = Rs.10$ | $E = Rs.10$ |

By using walter's model you are required to calculate the value of equity share if the payout ratio is (a)0%, (b) 50%, (c) 0% , (d) 100%

2. Determine the market price per share under Gordon model if retention is (a)50%, (b)60%, (c)10%
Earnings per share Rs.12 , Cost of capital = 12%, Rate of return = 18%.
3. Find out the market price per share using Gordon's model, if the payout is a) 25%, b) 50% , c) 75%
a. Earnings per share (EPS) = Rs18, Cost of capital (K) = 20%,
b. Return on investment (r)= 20%
4. Following are the details regarding three companies.

| A Ltd | B Ltd | C Ltd |
|--------------|--------------|--------------|
| $r = 15\%$ | $r = 10\%$ | $r = 8\%$ |
| $K_e = 10\%$ | $K_e = 10\%$ | $K_e = 10\%$ |
| $E = Rs.10$ | $E = Rs.10$ | $E = Rs.10$ |

Calculate the value of equity shares of each of these companies under walter's approach when dividend pay-out ratio is A) 0%, B) 50%, C)60% , D) 100%.

5. The earning per share of a company are Rs.10 and the rate of capitalization applicable to it is 10%. The company has before it the option of adopting a payout of 20% or 40% or 80%.Using walter's formula calculate the market value of the company's share if the productivity of the retained earnings is 20 %.

Assuming the tax rate to be 40% work out the EPS and the scheme which would meet objectives of the management.

UNIT II –Leverage

10. A firm has a sales of Rs.20,00,000. Variable cost is Rs.14,00,000 and fixed cost Rs.4,00,000 and the debt is Rs.10,00,000 at 10% rate of interest. Find out the leverage.
11. Compute the operating , financial and combined leverages from the give data:
Sales = 50,000 units @ Rs.12 per unit Variable cost @ Rs. 8 per unit
Fixed cost = Rs 90,000 (including 10% Interest on Rs.2, 50,000)
12. A firm sells its only product 2 Rs.12 per unit. Its variable cost is Rs.8 Per unit. Present sales are 1,000 units. Calculate the operating leverage in each of the following situations .
- A. When fixed cost is Rs 1,000
 - B. When fixed cost is Rs 1,200
 - C. When fixed cost is Rs 1,500
13. Find out degree of operating leverage from the following data
- | | | | |
|-------------|-----------|--------------|-----------------|
| EBIT – 2005 | Rs 40,000 | Sales – 2005 | Rs 20,000 units |
| EBIT -2006 | Rs 50,000 | Sales -2006 | Rs 28,000 units |
14. The capital structure of Tom Gilbert Ltd. consists of the following securities
- | | |
|--|--------------|
| 45,000 10% Preference share of Rs 100 each | Rs 45,00,000 |
| 5,00,000 Equity share of Rs 10 each | Rs 50,00,000 |
- The company operating profit is Rs 12,00,000. The company is in 40% tax bracket. You are required to find out the financial leverage of the company. What would be the new financial leverage if the operating profit increases to Rs 18,00,000 and interpret your results.
15. Ascertain financial leverage from the following given below
- | | |
|-------------------|--------------|
| Net worth | Rs 20,00,000 |
| Debt/Equity ratio | 3:1 |
| Interest rate | 10% |
| Operating profit | Rs 18,00,000 |

UNIT II –Cost of Capital

16. A firm issues debenture of Rs.1,00,000 and realised Rs.98,000 after allowing 2% commission to brokers. the debenture carry an interest rate of 10%. The debentures are due for maturity at the end of the 10th year. Calculate the effective cost of debt before tax.
17. KKR Ltd issued 8,800 preference share of Rs.100 each at a premium of 5%. The shares are redeemable at a par after 8 years. The issue expenses are 4%. Calculated the cost of preference share.
18. J Ltd issued 12,000 10% debenture of Rs. 100 each @ par. The tax rate is 50%. Calculate before tax and after tax.
19. Jaya Ltd issued 9,000 10% preference share of Rs.100 at a discount of 5%. The shares are redeemable @ par after 9 years. The floatation cost is 2%. Find out the effective cost of preference share

The company is in the 55% tax bracket.

You are required to determine;

- a) The company EPS
 - b) The changes in EPS associated with 30% increases & 30% decreases in EBIT.
5. Balaji Ltd has a share capital of Rs.1,00,000 divided into shares of Rs 10 each. It has a major expenses in Programme requiring an investment of another Rs,50,000. The management is considering the following alternatives for raising the amount.
- A. Issue of 5,000 equity shares of Rs.10 each.
 - B. Issue of 5,000 12 % Preference share of Rs 10 each.
 - C. Issue of 10% debenture of Rs.50,000.
- The Company present EBIT are Rs 40,000 per annum. Assume the income tax rate is 50% calculate the effect of each of the above modes of financing of EPS presuming.
- i. EBIT Continues to be same even after expansion.
 - ii. EBIT increases by Rs.10,000
 - iii. EBIT Increases by 10 %
6. A Firm requires total capital funds Rs.50 lakhs and has two options. All equity, and Half equity & Half 15 % Debt. The equity share can be currently issued at Rs 100 Each. The expected EBIT of the company is Rs. 5,00,000 with tax rate at 40%. Find out the EPS under both financial mix.
7. Bharathi Ltd. expects an annual EBIT of Rs. 1,00,000. The company has Rs. 4,00,000 in 10% debentures . The capitalization rate is 12.5%. The company proposes to issues additional equity shares of Rs.1,00,000 and use the proceeds for redemption of debentures of Rs.1,00,000. Calculate the value of the firm (V) and overall cost of capital (K_o).
8. Given the following information you are required to compute A)capitalization , B) capital Structure,

| Liabilities | Per annum Rs |
|-------------------------------|--------------|
| Equity share capital | 10,00,000 |
| Preference share capital | 5,00,000 |
| Long term loan and debentures | 2,00,000 |
| Retained earnings | 6,00,000 |
| Capital surplus | 50,000 |
| Current liabilities | 1,50,000 |
| Total | 25,00,000 |

9. Martha ltd needs Rs. 10,00,000 for installation of a new factory which would yield an annual EBIT of Rs. 1,80,000. The company has objectives of maximizing the earnings per share. It is considering the possibility of issuing equity share plus debt of Rs.1,50,000, Rs.4,50,000 or Rs. 7,50,000. The current market price per share is Rs 25 which is expected to drop to 20 per share if the market borrowing were exceed Rs.6,00,000. Cost of borrowing are indicated as under:
- | | |
|---------------------------------------|-----|
| upto Rs. 2,00,000 | 8% |
| Between Rs.2,00,001 and Rs. 5,00,000 | 10% |
| Between Rs. 5,00,001 and Rs. 7,50,000 | 12% |

5. What is WACC? (2 Times)
6. What do you mean by cost of equity? (3 Times)
7. What are the importance of cost of capital ?
8. What are the problems in determining cost of capital?

UNIT III – Dividend

1. What is dividend policy? (2 Times)
2. What are the different forms of dividend? (2 Times)
3. What is stock split? (2 Times)
4. What do you mean by Dividend policy? (3 Times)
5. State Walter model of dividend. (3 Times)
6. What is Gordon model of dividend policy? (3 Times)
7. What is MM approach in dividend policy? (3 Times)
8. Give the formula for Gordon model. (2 Times)
9. Give the formula for Walter model.

UNIT IV – Working Capital

1. Define working capital Management. (3 Times)
2. Define working capital. (2 Times)
3. Define Net Working Capital
4. What is operating cycle? (2 Times)
5. What are the components of working capital ? (3 Times)
6. What is working capital management? (3 Times)
7. What are the classification of working Capital?

UNIT V – Capital Budgeting

1. What is capital budgeting? (4 Times)
2. Define capital budgeting.
3. What is payback Period? (4 Times)
4. What do you mean by NPA? (4 Times)
5. What is IRR? (3 Times)
6. What is discounted payback price method? (3 Times)
7. What is profitability Index? (2 Times)
8. Give the formula for payback period.

University Most Repeated Five Marks Questions

UNIT I – Introduction

1. Explain the functions of financial management.
2. Explain the objectives of financial management.
3. What are the various functions of finance manager?

UNIT II – Capital Structure

4. ABC ltd has an EBIT of Rs.1,60,000. Its capital Structure consists of the following securities.

| | |
|------------------------------|--------------|
| 10% Debenture | Rs 5,00,000 |
| 125 Preference Shares | Rs 1,00,000 |
| Equity shares of Rs 100 each | Rs 4,000,000 |



JAYA COLLEGE OF ARTS AND SCIENCE, THIRUNINRAVUR – 602 024

DEPARTMENT OF COMMERCE

Financial Management Question Bank

Class: III B.com, B.com CA, B.com A.F, BBM

Subject Code: CZ25D

University Most Repeated Two Marks Questions

UNIT I – Introduction

1. Define Financial Management (5Times)
2. What is meaning of financial Management?(7 Times)
3. Define Finance.
4. Enumerate any two objectives of financial Management.
5. State aims of financial management.
6. What are three importance functions of financial management?
7. What is source of finance?
8. What is compound value of money?
9. Write short note on Risk & Return.
10. Write a short note on Wealth maximization.
11. What is commercial paper?
12. What is retained earning?
13. Mention any two role of finance manager.

UNIT II – Capital Structure

1. Define Capital structure. (3 Times)
2. What is Capital Structure? (3 Times)
3. What is EBIT- EPS Analysis ? (3 Times)
4. What do you mean by NI Approach? (4 Times)
5. What do you mean by NOI Approach? (3 Times)
6. What do you mean by MM Approach? (4 Times)
7. State the pattern of capital structure.
8. What is optimum capital structure? (2 Times)
9. What is trading on equity?

UNIT II –Leverage

1. Define leverage.(2 Times)
2. What do you mean by leverage? (6 Times)
3. What are the types of leverage? (2 Times)
4. What is operating leverage? (6 Times)
5. What is financial leverage? (7 Times)
6. What is combined leverage? (6 Times)
7. What do you mean by Capital gearing?

UNIT II –Cost of Capital

1. Define cost of capital(3 Times)
2. What do you mean by preference share? (3 Times)
3. State the components of cost of capital.
4. What do you mean by cost of capital? (4 Times)

2. Mani Ltd is considering a proposal for the investment of Rs.6,50,000 on product development which is expected to generate net cash inflows for 7 years under

| Years | Cash inflow |
|-------|-------------|
| 1 | Nil |
| 2 | 2,00,000 |
| 3 | 2,25,000 |
| 4 | 2,50,000 |
| 5 | 3,00,000 |
| 6 | 4,00,000 |
| 7 | 5,00,000 |

The following table gives the present value of Re.1 due in N numbers of years

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--------------------|-------|-------|-------|-------|-------|-------|-------|
| P.V. Factor @ 15 % | 0.870 | 0.756 | 0.658 | 0.572 | 0.497 | 0.432 | 0.376 |

3. Choice is to be made between two competing proposal which requires an equal investment of Rs.50,000 and are expected to generate net cash inflow as under.

| Year | Project A | Project B |
|------|-----------|-----------|
| | Rs | Rs |
| 1 | 25,000 | 10,000 |
| 2 | 15,000 | 12,000 |
| 3 | 10,000 | 18,000 |
| 4 | - | 25,000 |
| 5 | 12,000 | 8,000 |
| 6 | 6,000 | 4,000 |

The Cost of capital of the company is 10%. The following are the present value factors @ 10% pa.

| Year | 1 | 2 | 3 | 4 | 5 | 6 |
|--------------------|-------|-------|-------|-------|-------|-------|
| P.V. Factor @ 10 % | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 | 0.564 |

4. ABC Co.Ltd is considering the purchase of new machine .Two alternative machine X and Y have been suggested each costing Rs.4,00,000.Earning after taxation are expected to be as follows:

| Year | Cash flow | |
|------|-------------------|-------------------|
| | Machine X (Rs) | Machine Y (Rs) |
| 1 | 40,000 | 1,20,000 |
| 2 | 1,20,000 | 1,60,000 |
| 3 | 1,60,000 | 2,00,000 |
| 4 | 2,00,000 | 1,20,000 |
| 5 | 1,60,000 | 80,000 |

The company has a target rate of return on capital of 10% and on this basis you are required to compare the profitability of machines and state which alternative is preferable. The present value of Re. 1 (to be received at the end of each year).

| Year | 1 | 2 | 3 | 4 | 5 |
|------|------|------|------|------|------|
| PV | .909 | .826 | .751 | .683 | .621 |

4. Determine the market price under Walter Model

| | | |
|-----------|-----------|-----------|
| N Ltd | M Ltd | G Ltd |
| r = 18% | r = 20% | r = 8% |
| k = 15% | k = 20% | k = 10% |
| E = Rs.30 | E = Rs.40 | E = Rs.20 |

When Payout ratio is a)30%, b)60% , c) 100%

UNIT IV – Working Capital

1.From the following information calculate the average amount of working capital required

| Particulars | Per annum Rs |
|---|--------------|
| Stock of finished goods and work in progress | 10,000 |
| Stock of stores and material | 8,000 |
| Average credit to local customers 2 weeks | 1,04,000 |
| Average credit to outside customers 6 weeks | 3,12,000 |
| Credit available for payment of purchases 4 weeks | 78,000 |
| Credit available for payment of wages 2 weeks | 2,60,000 |
| Add 10 % for contingencies | |

2. You are required to estimate its working capital requirements from the following data (2 Times)

| Particulars | Per annum Rs |
|---|--------------|
| Projected annual sales | Rs 9,00,000 |
| Percentage of net profit to cost of sales | 20% |
| Average credit allowed to debtors | 1 month |
| Average credit allowed by creditors | 2 months |
| Average stock carrying in terms of sales requirements | 2.5 months |
| Add 10 % to allow for contingencies | |

3. Briefly explain the factor determining working capital requirement.

UNIT IV – Capital Budgeting

1. Calculate the average rate of returns for project A & B from the following (2 Times)

| | Project A | Project B |
|--|-----------|-----------|
| Investment | Rs 20,000 | Rs 30,000 |
| Expected life | 4 years | 5 years |
| Projected net income (after Interest, depreciation & tax) | | |
| Year | Project A | Project B |
| | Rs | Rs |
| 1 | 2,000 | 3,000 |
| 2 | 1,500 | 3,000 |
| 3 | 1,500 | 2,000 |

3. A company offers for public equity share of Rs 10 each at a premium of 10% . The company pays 5% of the issue price as underwriting commission. The rate of dividend expected by equity share is 20%. You are required to calculate the cost of equity wills your cost be different if the market value of equity share is Rs.15.

4. Following information is available with the regards to the capital structure of X ltds

| | Amount | After tax cost of capital % |
|--------------------------|-----------|-----------------------------|
| Debentures | 12,00,000 | 5% |
| Preference share capital | 4,00,000 | 10% |
| Equity share capital | 8,00,000 | 15% |
| Retained earning | 16,00,000 | 12% |

You are required to calculate WACC.

5. Blue sky Ltd has an EBIT Rs.2,00,000. The cost of debt is 10% and outstanding debt is Rs.9,00,000. The overall capitalization rate K_e is 12.5%. Calculate the value of the firm and equity capitalization rate .

6. MN Ltd Produced and sold 1,00,000 units of a product at the rate of Rs.10 per unit. For the production of 1,00,000 units, it has spent a variable cost of Rs.6,00,000 at rate of Rs 6 Per unit and fixed cost of Rs.2,50,000. The firm has pad interest Rs.5,000 at a rate of 5% and Rs.100,000 Debt. Calculate operating leverage & Finance leverage.

7. Calculate WACC using A) Book value and B) Market value

| Source of capital | Book value (in Rs) | Market value (in Rs) | After -tax Cost |
|----------------------------------|---------------------|-----------------------|-----------------|
| Equity share capital @Rs 10 each | 45,000 | 90,000 | 14% |
| Retained earning | 15,000 | - | 13% |
| Preference share capital | 10,000 | 10,000 | 10% |
| Debentures | 30,000 | 30,000 | 5% |

UNIT III – Dividend

1. Determine the market price per share under walter model . (2 Times)

- A. Earning per share – Rs 30.
- B. Cost of capital – 13%
- C. Return on investment – 16%
- D. dividend payout ratio – 40%.

2. Determine the market price under Gordon Model

- A. Rate of return – 20%
- B. Capitalization Rate – 15%
- C. EPS – RS.10
- D. If retention is 40%, 60% & 20 %

3. Determine the market price under Gordon Model (2 times)

- A. Rate of return – 20%
- B. Capitalization Rate – 15%
- C. EPS – RS.14
- D. If retention is 40%, 60% & 20 %

Following further details are available:

| | X | Y | Z | A |
|-----------------------|----------|----------|----------|--------|
| Floor space in (Sq.f) | 1,500 | 1,100 | 900 | 500 |
| Light points | 75 | 11 | 9 | 5 |
| No of employees | 200 | 150 | 100 | 50 |
| Total wages (RS) | 60,000 | 40,000 | 30,000 | 20,000 |
| Value of plant (RS) | 2,40,000 | 1,80,000 | 1,20,000 | 60,000 |
| Value of stock (Rs) | 1,50,000 | 90,000 | 60,000 | - |

Apportion the cost of various departments on the most equitable basis by Preparing a primary departmental distribution summary.

3. The following particulars relate to a manufacturing company which has three production departments P1,P2 and P3 and low service departments S1 & S2.

| Particulars | Departments | | | | |
|--|-------------|-------|-------|-------|-------|
| | P1 | P2 | P3 | S1 | S2 |
| Total departmental overheads as per primary distribution | 6,300 | 7,400 | 2,800 | 4,500 | 2,000 |

The company decided to charge the service departments cost on the basis of following percentages.

| Service dept | Production dept | | | Service dept | |
|--------------|-----------------|-----|-----|--------------|-----|
| | P1 | P2 | P3 | S1 | S2 |
| S1 | 40% | 30% | 20% | - | 10% |
| S2 | 30% | 30% | 20% | 20% | - |

3. From the following data prepare a statement showing a cost per man day of eight hours.

- g. Basic salary and dearness allowance Rs.300 per month
 - h. Leave salary to the work man 6% of the basic and D.A
 - i. Employer's contribution to P.F 6% of (a)and (b)
 - j. Employee's contribution to P.F 6% of (a)and (b)
 - k. Pro – rata expenditure on amenities to labour Rs. 25 per head per month
- Number of working hours in a month 200

UNIT V – Overheads

1. Kumaresh Ltd. has three production department A,B and C and two services Department D and E. The Following figures are contracted from the records of the company:

| Particulars | Rs |
|---------------------------|-------|
| Rent & rates | 5000 |
| Indirect wages | 1500 |
| Depreciation of machinery | 10000 |
| General lighting | 600 |
| Power | 1500 |
| Sundries | 10000 |

Following further details are available:

| | Total | A | B | C | D | E |
|-------------------------|----------|--------|--------|----------|-------|-------|
| Floor space in (Sq.f) | 10,000 | 2,000 | 2,500 | 3,000 | 2,000 | 500 |
| Light points | 60 | 10 | 15 | 20 | 10 | 5 |
| Direct wages (RS) | 10,000 | 3,000 | 2,000 | 3,000 | 1,500 | 500 |
| H.P. of machines | 150 | 60 | 30 | 50 | 10 | – |
| Value of machinery (Rs) | 2,50,000 | 60,000 | 80,000 | 1,00,000 | 5,000 | 5,000 |

Apportion the cost of various departments on the most equitable basis by Preparing a primary departmental distribution summary.

2. Kumar ltd has three production departments X,Y & Z and one service department A. The following figures are extracted from the records of the company.

| Particulars | Rs |
|-----------------------------------|--------|
| Rent & rates | 10,000 |
| Repairs to plant | 6,000 |
| Depreciation of plant | 4,500 |
| Lighting expenses | 1,000 |
| Supervisory expenses | 15,000 |
| Fire insurance on stock | 5,000 |
| Power | 9,000 |
| Employers liability for insurance | 1,500 |

UNIT III – Material

1. The stock of material as on 1st April was 200 units @ Rs.2 each. From the following particulars, Prepare store ledger account Under LIFO Method.

| | | |
|------------------------|----------|--------------------------|
| April 5 th | Purchase | 100 units @ Rs.2.20 each |
| April 10 th | Purchase | 150 units @ Rs.2.40 each |
| April 20 th | Purchase | 180 units @ Rs.2.50 each |
| April 2 nd | Issues | 150 units |
| April 7 th | Issues | 100 units |
| April 12 th | Issues | 100 units |
| April 28 th | Issues | 200 units |

2. The stock of material as on 1st October was 100 units @ Rs.6 each. From the following particulars. Prepare store ledger account under simple average Method.

| | | |
|----------------------|----------|-----------------------|
| Oct 5 th | Purchase | 600 units @ Rs.7 each |
| Oct 16 th | Purchase | 500 units @ Rs.8 each |
| Oct 6 th | Issues | 400 units |
| Oct 15 th | Issues | 200 units |
| Oct 25 th | Issues | 400 units |
| Oct 27 th | Issues | 200 units |

3. What do you mean by ABC Analysis? What are its merits & demerits?

UNIT IV – Labour

1. From the following data given by the personnel department calculate labour turnover rate by applying.

- Separation method
- Replacement method
- Flux method

Number of workers on the payroll: a. At the beginning of the month – 900, b) At the end of the month – 1,100.

During the month 10 workers left, 40 persons were discharged and 150 workers are recruited. Of these 25 workers are recruited in the vacancies of those leaving while rest were engaged for an expansion scheme.

2. From the following data given by the personnel department calculate labour turnover rate by applying.

- Separation method
- Replacement method
- Flux method

- Total number of employees at the beginning – 2010
- Total number of employees at the end – 1990
- Number of employees resigned – 30
- Number of employees discharge – 50
- Number of employees replaced – 40

Original cost of the machine is Rs.15,000. Book value Rs.3,500, Replacement cost Rs.11,500.
Depreciation is 10% on original cost.

2. Calculate the machine hour rate.

- a. Cost of machine – Rs 19,200
- b. Estimated scrap values – Rs 1,200
- c. Repairs charges per month _ Rs 150
- d. Standing charges allocations to machine per month Rs 50
- e. Effective working life of machine 10,000 hours
- f. Running time per month- 166 Hours
- g. Power used by machine = 5 units per hour @ 19 paise per unit.

3. Calculate the machine hour Rate from the Following information:

| Particulars | Per hr(rs) | Particulars | Per year(rs) |
|-----------------|------------|--------------|--------------|
| Electric powers | 0.75 | Rent | 270 |
| Steam | 0.30 | Repairs | 550 |
| Water | 0.20 | Running hrs. | 2000 |

Original cost of the machine is Rs 15000, book value Rs 3500, replacement value Rs 11500, depreciation is 10% on original cost.

University Most Repeated Ten Marks Questions

UNIT I – Introduction

1. Discuss the various ways in which costs may be classified.
2. Difference between cost accounting and financial accounting
3. Difference between cost accounting and management Accounting.

UNIT II – Cost Sheet

1. In a factory a standard product is manufactured. From the following particulars Prepare the cost sheet.

| | |
|--|-----------|
| Material consumed | Rs 30,000 |
| Wages | Rs 60,000 |
| Work overhead is charged @ 40% of prime cost | |
| Office overhead is taken @ 20 % on work cost | |
| Unit produced | |
| Unit sold are 180 units @ Rs 1,200 each | |

2. Ascertain the cost and selling price from the following

| | |
|----------------------------------|----------|
| Material consumed | Rs 6,000 |
| Wages | Rs 9,000 |
| Work on cost 50% on wages | |
| Office on cost 20% on work cost | |
| Selling on cost 10% on work cost | |
| Profit 20% on cost | |

4. Calculate total wages earned (Including bonus) by a worker for a working day of 8 hours under Rowan plans.

| | |
|---------------------------------|---------------|
| Standard production per hour | 6 units |
| Total production during the day | 64 units |
| Rate of wages | Rs 2 per hour |

5. From the following data calculate Rowan plan & Halsey Plan

| | |
|---------------|--------|
| Time allowed | 48 hrs |
| Time taken | 40 hrs |
| Rate per hour | Rs. 1 |

6. From the following particular prepare Labour cost per man day 8 hours.

(a) Basic salary : RS 2 per day

(b) Dearness allowance :0.25 paise for every point over 100 cost of living index for

Working cost . Current month Cost of living is 700 points

(C) leave salary :10% of (a) and (b)

(d) Employer

Contribution to P.F: 8% of (a) , (b) and (c)

(e) No. Of . Working days in month :25 days of 8hours each

7. Calculate the normal and overtime wages payable to a workman from the following data .

| Days | Hours worked |
|-----------|--------------|
| Monday | 8 |
| Tuesday | 12 |
| Wednesday | 10 |
| Thursday | 10 |
| Friday | 9 |
| Saturday | 4 |
| | 53 |

- Normal working hours – 8 hours per day, on Saturday – 4 hours.
- Normal rate Rs 2 per hour
- Overtime rate – up to 9 hours in a day at single rate and over 9 hours in a day at double rate. Or up to 48 hours in a week at single rate and over 48 hour at double rate, whichever is more beneficial to the workers.

8. From the following data prepare a statement showing a cost per man day of eight hours.

- Basic salary and dearness allowance Rs.300 per month
- Leave salary to the work man 6% of the basic and D.A
- Employer's contribution to P.F 6% of (a)and (b)
- Employee's contribution to P.F 6% of (a)and (b)
- Pro – rata expenditure on amenities to labour Rs. 25 per head per month
- Number of working hours in a month 200.

UNIT V – Overheads

1. Calculate Machine hour rate from the following information.

| | Per Hour (Rs.) | | Per Year (Rs.) |
|----------------|-------------------|---------------|-------------------|
| Electric power | 0.75 | Rent | 270 |
| Steam | 0.30 | Repairs | 550 |
| Water | 0.20 | Running hours | 2,000 |

7. Calculate EOQ

- a. Consumption during the year 600 Units
- b. Purchase Price Per unit Rs 20.
- c. Semi- annual carrying cost 20%
- d. Ordering cost per order Rs 12.

8. Compute the various stock level from the following data.

- a. Maximum stock level
- b. Minimum Stock level
- c. Re-order level
- d. Average stock level

| | |
|---------------------|-------------------|
| Maximum consumption | 130units per day |
| Minimum consumption | 60 units per day |
| Normal consumption | 100 units per day |
| Reorder period | 25 to 30 days |
| Reorder quantity | 5,000 units |

9. From the following particulars prepare the stores ledger account showing the pricing of material issue by adopting the FIFO method with the base stock of 400 units, out of opening stock.

| | |
|--------|-------------------------------------|
| Jan 1 | Balance in hand 1000 units @ Rs 2 |
| Jan 4 | Purchased 800 units at Rs 2.10 |
| Jan 15 | Issued 800 units |
| Jan 30 | Purchased 1,600 units at Rs 2.10 |
| Feb 8 | Issued 1500 units |
| Feb 12 | Purchased 900 units at Rs 2.50 each |
| Feb 37 | Issued 600 units |

UNIT IV – Labour

1. The following particulars apply to a job.

| | |
|---------------|---------------|
| Standard time | 10 hours |
| Time taken | 8 hours |
| Time rate | Rs 2 per hour |

Calculate the earning under Rowan plan.

2. Calculate the earnings of workers A & B under Taylor's differential piece rate system from the following Particulars.

- a. Normal rate per hour- Rs 18
- b. Standard time per unit 20 seconds
- c. Differential to be applied: 80% of piece rate below standard, 120% of piece rate at or above standard.
- d. Worker A produces 1,400 units per day and Workers B produces 1,500 units per day of 8 hours.

3. The following particulars apply to a job.

| | |
|---------------|---------------|
| Standard time | 10 hours |
| Time taken | 9 hours |
| Time rate | Rs 1 per hour |

Calculate the earning under Rowan plan.

UNIT III – Material

1. Calculate EOQ

- a. Quarterly Consumption 750 Units
- b. Purchase Price Per unit Rs 25.
- c. Semi- annual carrying cost 6%
- d. Ordering cost per order Rs 45.

2. From the following particulars calculate.

- a. Maximum level
- b. Minimum level
- c. Reorder level.

| | |
|----------------|-------------------|
| Normal usage | 100 units per day |
| Minimum usage | 60 units per day |
| Maximum | 130 units per day |
| EOQ | 5000 units |
| Reorder period | 25 to 30 days |

3. Calculate EOQ

- a. Semi-annual Consumption 6,000 Units
- b. Purchase Price of input unit Rs 25.
- c. Quarterly carrying cost @ 3%
- d. Ordering cost per order Rs.45

4. Compute the various stock level from the following data.

| | |
|--------------------------------|---------------|
| Maximum consumption in a month | 300 units |
| Minimum consumption in a month | 200 units |
| Average usage in a month | 225 units |
| Reorder period | 2 to 6 months |
| Normal reorder period | 4 months |
| Reorder quantity | 750 units |

5. Calculate EOQ

- a. Annual Consumption – Rs 1,20,000
- b. Cost of placing & receiving one order – Rs 60
- c. Annual carrying cost – 10 % of inventory value.

6. Compute the various stock level from the following data.

- a. Maximum stock level
- b. Minimum Stock level
- c. Re-order level
- d. Average stock level

| | |
|-----------------------|-------------------|
| Maximum consumption | 420 units per day |
| Minimum consumption | 240 units per day |
| Normal consumption | 300 units per day |
| Reorder period | 10 to 15 days |
| Normal reorder period | 12 days |
| Reorder quantity | 3,600 units |

5. Give a list of any two monetary benefits payable to workers.
6. Write the methods of time keeping
7. What the different methods of measurement of labour turnover?

UNIT V – Overheads

1. Give the meaning of Absorption of overheads. (4 Times)
2. Indicate the basis of apportionment for the overhead expenses mention below.
 - a. Rent, Rates & Taxes
 - b. Repairs & maintenance
3. Define overheads. (2 Times)
4. What is Apportionment of overheads?
5. What is primary distribution?
6. What is overtime?
7. What is meant by overheads expenses?
8. What do you understand by machine hour rate?

University Most Repeated Five Marks Questions

UNIT I – Introduction

1. Difference between cost accounting & management accounting (2 Times)
2. What are the limitations of cost Accounting?
3. Explain the scope of cost accounting.

UNIT II – Cost Sheet

1. Compute the prime cost.

| | |
|---|-----------|
| Direct material cost | Rs 80,000 |
| Productive wages | Rs 17,000 |
| Royalty paid | Rs 11,000 |
| Hire Charges of special machine for the job | Rs 13,000 |

2. Ascertain the factory overheads from the following

| | |
|---------------------|-----------|
| Office stationery | Rs 5,000 |
| Factory lighting | Rs,10,000 |
| Works manger salary | Rs 22,000 |
| Indirect material | Rs 9,000 |
| Audit fee | Rs 13,000 |
| Foreman salary | Rs 13,000 |

3. A factory produces 100 units of a commodity. The cost of production is :

| | |
|-----------------|--------|
| | Rs |
| Materials | 10,000 |
| Wages | 5,000 |
| Direct expenses | 1,000 |

Factory overheads are 125% on wages, office overheads are 20% on work cost, expected profit is 25% on sales. Calculate the price to be fixed per unit.

4. State any five items are included in financial accounts only.
5. Ascertain the cost and selling price from the following

Material consumed Rs.6,000, wages paid Rs. 9,000, Work on cost 50% on wages, office on cost 20% on work cost , selling on cost 10% on work cost , Profit 20 % on cost .



JAYA COLLEGE OF ARTS AND SCIENCE, THIRUNINRAVUR – 602 024

DEPARTMENT OF COMMERCE

Elements of Cost Accounting Question Bank

Class: III B.Com, B,Com CA, B.Com A.F, BBM

Subject Code: CZ25A

University Most Repeated Two Marks Questions

UNIT I – Introduction

1. Define Cost.(2Times)
2. Mention any two limitation of cost accounting.
3. What do you mean by profit centre?
4. Name the elements of cost.
5. What is cost centre?
6. Define cost accounting

UNIT II – Cost Sheet

1. Total cost of a product is Rs.64,000. Profit is 20% on sales. What is the sales Price
2. What is cost sheet? (2 Times)
3. What is prime cost?(2 Times)
4. What is work cost?
5. What is unit Cost ?
6. Calculate the work cost
 - a. Factory expenses – Rs 700
 - b. Office expenses – Rs 300
 - c. Material Consumed – Rs 3,400
 - d. Selling Expenses – Rs 900

UNIT III – Material

1. What is material control?
2. Find out the reorder level from the following
 - a. Maximum consumption of material 300 units
 - b. Maximum reorder period 4 weeks
 - c. Minimum reorder period 2 weeks
3. What is inventory control?
4. What is base stock method of pricing material issues?
5. Write a formula for minimum level & maximum level.
6. What is bin card?
7. Expand FIFO & LIFO.
8. What is EOQ?
9. State any two objectives of material control.

UNIT IV – Labour

1. What do you mean by indirect labour?(3 Times)
2. What is labour turnover? (2 Times)
3. What is direct labour?
4. What is idel time? (2 Times)

Following further details are available:

| | X | Y | Z | A |
|-----------------------|----------|----------|----------|--------|
| Floor space in (Sq.f) | 1,500 | 1,100 | 900 | 500 |
| Light points | 75 | 11 | 9 | 5 |
| No of employees | 200 | 150 | 100 | 50 |
| Total wages (RS) | 60,000 | 40,000 | 30,000 | 20,000 |
| Value of plant (RS) | 2,40,000 | 1,80,000 | 1,20,000 | 60,000 |
| Value of stock (Rs) | 1,50,000 | 90,000 | 60,000 | - |

Apportion the cost of various departments on the most equitable basis by Preparing a primary departmental distribution summary.

3. The following particulars relate to a manufacturing company which has three production departments P1,P2 and P3 and low service departments S1 & S2.

| Particulars | Departments | | | | |
|--|-------------|-------|-------|-------|-------|
| | P1 | P2 | P3 | S1 | S2 |
| Total departmental overheads as per primary distribution | 6,300 | 7,400 | 2,800 | 4,500 | 2,000 |

The company decided to charge the service departments cost on the basis of following percentages.

| Service dept | Production dept | | | Service dept | |
|--------------|-----------------|-----|-----|--------------|-----|
| | P1 | P2 | P3 | S1 | S2 |
| S1 | 40% | 30% | 20% | - | 10% |
| S2 | 30% | 30% | 20% | 20% | - |

3. From the following data prepare a statement showing a cost per man day of eight hours.

- g. Basic salary and dearness allowance Rs.300 per month
 - h. Leave salary to the work man 6% of the basic and D.A
 - i. Employer's contribution to P.F 6% of (a)and (b)
 - j. Employee's contribution to P.F 6% of (a)and (b)
 - k. Pro – rata expenditure on amenities to labour Rs. 25 per head per month
- Number of working hours in a month 200

UNIT V – Overheads

1. Kumaresh Ltd. has three production department A,B and C and two services Department D and E. The Following figures are contracted from the records of the company:

| Particulars | Rs |
|---------------------------|-------|
| Rent & rates | 5000 |
| Indirect wages | 1500 |
| Depreciation of machinery | 10000 |
| General lighting | 600 |
| Power | 1500 |
| Sundries | 10000 |

Following further details are available:

| | Total | A | B | C | D | E |
|-------------------------|----------|--------|--------|----------|-------|-------|
| Floor space in (Sq.f) | 10,000 | 2,000 | 2,500 | 3,000 | 2,000 | 500 |
| Light points | 60 | 10 | 15 | 20 | 10 | 5 |
| Direct wages (RS) | 10,000 | 3,000 | 2,000 | 3,000 | 1,500 | 500 |
| H.P. of machines | 150 | 60 | 30 | 50 | 10 | – |
| Value of machinery (Rs) | 2,50,000 | 60,000 | 80,000 | 1,00,000 | 5,000 | 5,000 |

Apportion the cost of various departments on the most equitable basis by Preparing a primary departmental distribution summary.

2. Kumar ltd has three production departments X,Y & Z and one service department A. The following figures are extracted from the records of the company.

| Particulars | Rs |
|-----------------------------------|--------|
| Rent & rates | 10,000 |
| Repairs to plant | 6,000 |
| Depreciation of plant | 4,500 |
| Lighting expenses | 1,000 |
| Supervisory expenses | 15,000 |
| Fire insurance on stock | 5,000 |
| Power | 9,000 |
| Employers liability for insurance | 1,500 |

UNIT III – Material

1. The stock of material as on 1st April was 200 units @ Rs.2 each. From the following particulars, Prepare store ledger account Under LIFO Method.

| | | |
|------------------------|----------|--------------------------|
| April 5 th | Purchase | 100 units @ Rs.2.20 each |
| April 10 th | Purchase | 150 units @ Rs.2.40 each |
| April 20 th | Purchase | 180 units @ Rs.2.50 each |
| April 2 nd | Issues | 150 units |
| April 7 th | Issues | 100 units |
| April 12 th | Issues | 100 units |
| April 28 th | Issues | 200 units |

2. The stock of material as on 1st October was 100 units @ Rs.6 each. From the following particulars. Prepare store ledger account under simple average Method.

| | | |
|----------------------|----------|-----------------------|
| Oct 5 th | Purchase | 600 units @ Rs.7 each |
| Oct 16 th | Purchase | 500 units @ Rs.8 each |
| Oct 6 th | Issues | 400 units |
| Oct 15 th | Issues | 200 units |
| Oct 25 th | Issues | 400 units |
| Oct 27 th | Issues | 200 units |

3. What do you mean by ABC Analysis? What are its merits & demerits?

UNIT IV – Labour

1. From the following data given by the personnel department calculate labour turnover rate by applying.

- Separation method
- Replacement method
- Flux method

Number of workers on the payroll: a. At the beginning of the month – 900, b) At the end of the month – 1,100.

During the month 10 workers left, 40 persons were discharged and 150 workers are recruited. Of these 25 workers are recruited in the vacancies of those leaving while rest were engaged for an expansion scheme.

2. From the following data given by the personnel department calculate labour turnover rate by applying.

- Separation method
- Replacement method
- Flux method

- Total number of employees at the beginning – 2010
- Total number of employees at the end – 1990
- Number of employees resigned – 30
- Number of employees discharge – 50
- Number of employees replaced – 40

Original cost of the machine is Rs.15,000. Book value Rs.3,500, Replacement cost Rs.11,500.

Depreciation is 10% on original cost.

2. Calculate the machine hour rate.

- a. Cost of machine – Rs 19,200
- b. Estimated scrap values – Rs 1,200
- c. Repairs charges per month _ Rs 150
- d. Standing charges allocations to machine per month Rs 50
- e. Effective working life of machine 10,000 hours
- f. Running time per month- 166 Hours
- g. Power used by machine = 5 units per hour @ 19 paise per unit.

3. Calculate the machine hour Rate from the Following information:

| Particulars | Per hr(rs) | Particulars | Per year(rs) |
|-----------------|------------|--------------|--------------|
| Electric powers | 0.75 | Rent | 270 |
| Steam | 0.30 | Repairs | 550 |
| Water | 0.20 | Running hrs. | 2000 |

Original cost of the machine is Rs 15000, book value Rs 3500, replacement value Rs 11500, depreciation is 10% on original cost.

University Most Repeated Ten Marks Questions

UNIT I – Introduction

1. Discuss the various ways in which costs may be classified.
2. Difference between cost accounting and financial accounting
3. Difference between cost accounting and management Accounting.

UNIT II – Cost Sheet

1. In a factory a standard product is manufactured. From the following particulars Prepare the cost sheet.

| | |
|--|-----------|
| Material consumed | Rs 30,000 |
| Wages | Rs 60,000 |
| Work overhead is charged @ 40% of prime cost | |
| Office overhead is taken @ 20 % on work cost | |
| Unit produced | |
| Unit sold are 180 units @ Rs 1,200 each | |

2. Ascertain the cost and selling price from the following

| | |
|----------------------------------|----------|
| Material consumed | Rs 6,000 |
| Wages | Rs 9,000 |
| Work on cost 50% on wages | |
| Office on cost 20% on work cost | |
| Selling on cost 10% on work cost | |
| Profit 20% on cost | |

4. Calculate total wages earned (Including bonus) by a worker for a working day of 8 hours under Rowan plans.

| | |
|---------------------------------|---------------|
| Standard production per hour | 6 units |
| Total production during the day | 64 units |
| Rate of wages | Rs 2 per hour |

5. From the following data calculate Rowan plan & Halsey Plan

| | |
|---------------|--------|
| Time allowed | 48 hrs |
| Time taken | 40 hrs |
| Rate per hour | Rs. 1 |

6. From the following particular prepare Labour cost per man day 8 hours.

(a) Basic salary : RS 2 per day

(b) Dearness allowance :0.25 paise for every point over 100 cost of living index for

Working cost . Current month Cost of living is 700 points

(C) leave salary :10% of (a) and (b)

(d) Employer

Contribution to P.F: 8% of (a) , (b) and (c)

(e) No. Of . Working days in month :25 days of 8hours each

7. Calculate the normal and overtime wages payable to a workman from the following data .

| Days | Hours worked |
|-----------|--------------|
| Monday | 8 |
| Tuesday | 12 |
| Wednesday | 10 |
| Thursday | 10 |
| Friday | 9 |
| Saturday | 4 |
| | 53 |

- Normal working hours – 8 hours per day, on Saturday – 4 hours.
- Normal rate Rs 2 per hour
- Overtime rate – up to 9 hours in a day at single rate and over 9 hours in a day at double rate. Or up to 48 hours in a week at single rate and over 48 hour at double rate, whichever is more beneficial to the workers.

8. From the following data prepare a statement showing a cost per man day of eight hours.

- Basic salary and dearness allowance Rs.300 per month
- Leave salary to the work man 6% of the basic and D.A
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- Pro – rata expenditure on amenities to labour Rs. 25 per head per month
- Number of working hours in a month 200.

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1. Calculate Machine hour rate from the following information.

| | Per Hour (Rs.) | | Per Year (Rs.) |
|----------------|-------------------|---------------|-------------------|
| Electric power | 0.75 | Rent | 270 |
| Steam | 0.30 | Repairs | 550 |
| Water | 0.20 | Running hours | 2,000 |

7. Calculate EOQ

- a. Consumption during the year 600 Units
- b. Purchase Price Per unit Rs 20.
- c. Semi- annual carrying cost 20%
- d. Ordering cost per order Rs 12.

8. Compute the various stock level from the following data.

- a. Maximum stock level
- b. Minimum Stock level
- c. Re-order level
- d. Average stock level

| | |
|---------------------|-------------------|
| Maximum consumption | 130units per day |
| Minimum consumption | 60 units per day |
| Normal consumption | 100 units per day |
| Reorder period | 25 to 30 days |
| Reorder quantity | 5,000 units |

9. From the following particulars prepare the stores ledger account showing the pricing of material issue by adopting the FIFO method with the base stock of 400 units, out of opening stock.

| | |
|--------|-------------------------------------|
| Jan 1 | Balance in hand 1000 units @ Rs 2 |
| Jan 4 | Purchased 800 units at Rs 2.10 |
| Jan 15 | Issued 800 units |
| Jan 30 | Purchased 1,600 units at Rs 2.10 |
| Feb 8 | Issued 1500 units |
| Feb 12 | Purchased 900 units at Rs 2.50 each |
| Feb 37 | Issued 600 units |

UNIT IV – Labour

1. The following particulars apply to a job.

| | |
|---------------|---------------|
| Standard time | 10 hours |
| Time taken | 8 hours |
| Time rate | Rs 2 per hour |

Calculate the earning under Rowan plan.

2. Calculate the earnings of workers A & B under Taylor's differential piece rate system from the following Particulars.

- a. Normal rate per hour- Rs 18
- b. Standard time per unit 20 seconds
- c. Differential to be applied: 80% of piece rate below standard, 120% of piece rate at or above standard.
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| | |
|---------------|---------------|
| Standard time | 10 hours |
| Time taken | 9 hours |
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Calculate the earning under Rowan plan.

UNIT III – Material

1. Calculate EOQ

- a. Quarterly Consumption 750 Units
- b. Purchase Price Per unit Rs 25.
- c. Semi- annual carrying cost 6%
- d. Ordering cost per order Rs 45.

2. From the following particulars calculate.

- a. Maximum level
- b. Minimum level
- c. Reorder level.

| | |
|----------------|-------------------|
| Normal usage | 100 units per day |
| Minimum usage | 60 units per day |
| Maximum | 130 units per day |
| EOQ | 5000 units |
| Reorder period | 25 to 30 days |

3. Calculate EOQ

- a. Semi-annual Consumption 6,000 Units
- b. Purchase Price of input unit Rs 25.
- c. Quarterly carrying cost @ 3%
- d. Ordering cost per order Rs.45

4. Compute the various stock level from the following data.

| | |
|--------------------------------|---------------|
| Maximum consumption in a month | 300 units |
| Minimum consumption in a month | 200 units |
| Average usage in a month | 225 units |
| Reorder period | 2 to 6 months |
| Normal reorder period | 4 months |
| Reorder quantity | 750 units |

5. Calculate EOQ

- a. Annual Consumption – Rs 1,20,000
- b. Cost of placing & receiving one order – Rs 60
- c. Annual carrying cost – 10 % of inventory value.

6. Compute the various stock level from the following data.

- a. Maximum stock level
- b. Minimum Stock level
- c. Re-order level
- d. Average stock level

| | |
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| Maximum consumption | 420 units per day |
| Minimum consumption | 240 units per day |
| Normal consumption | 300 units per day |
| Reorder period | 10 to 15 days |
| Normal reorder period | 12 days |
| Reorder quantity | 3,600 units |

5. Give a list of any two monetary benefits payable to workers.
6. Write the methods of time keeping
7. What the different methods of measurement of labour turnover?

UNIT V – Overheads

1. Give the meaning of Absorption of overheads. (4 Times)
2. Indicate the basis of apportionment for the overhead expenses mention below.
 - a. Rent, Rates & Taxes
 - b. Repairs & maintenance
3. Define overheads. (2 Times)
4. What is Apportionment of overheads?
5. What is primary distribution?
6. What is overtime?
7. What is meant by overheads expenses?
8. What do you understand by machine hour rate?

University Most Repeated Five Marks Questions

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1. Difference between cost accounting & management accounting (2 Times)
2. What are the limitations of cost Accounting?
3. Explain the scope of cost accounting.

UNIT II – Cost Sheet

1. Compute the prime cost.

| | |
|---|-----------|
| Direct material cost | Rs 80,000 |
| Productive wages | Rs 17,000 |
| Royalty paid | Rs 11,000 |
| Hire Charges of special machine for the job | Rs 13,000 |

2. Ascertain the factory overheads from the following

| | |
|---------------------|-----------|
| Office stationery | Rs 5,000 |
| Factory lighting | Rs,10,000 |
| Works manger salary | Rs 22,000 |
| Indirect material | Rs 9,000 |
| Audit fee | Rs 13,000 |
| Foreman salary | Rs 13,000 |

3. A factory produces 100 units of a commodity. The cost of production is :

| | |
|-----------------|--------|
| | Rs |
| Materials | 10,000 |
| Wages | 5,000 |
| Direct expenses | 1,000 |

Factory overheads are 125% on wages, office overheads are 20% on work cost, expected profit is 25% on sales. Calculate the price to be fixed per unit.

4. State any five items are included in financial accounts only.
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Material consumed Rs.6,000, wages paid Rs. 9,000, Work on cost 50% on wages, office on cost 20% on work cost , selling on cost 10% on work cost , Profit 20 % on cost .



JAYA COLLEGE OF ARTS AND SCIENCE, THIRUNINRAVUR – 602 024

DEPARTMENT OF COMMERCE

Elements of Cost Accounting Question Bank

Class: III B.Com, B,Com CA, B.Com A.F, BBM

Subject Code: CZ25A

University Most Repeated Two Marks Questions

UNIT I – Introduction

1. Define Cost.(2Times)
2. Mention any two limitation of cost accounting.
3. What do you mean by profit centre?
4. Name the elements of cost.
5. What is cost centre?
6. Define cost accounting

UNIT II – Cost Sheet

1. Total cost of a product is Rs.64,000. Profit is 20% on sales. What is the sales Price
2. What is cost sheet? (2 Times)
3. What is prime cost?(2 Times)
4. What is work cost?
5. What is unit Cost ?
6. Calculate the work cost
 - a. Factory expenses – Rs 700
 - b. Office expenses – Rs 300
 - c. Material Consumed – Rs 3,400
 - d. Selling Expenses – Rs 900

UNIT III – Material

1. What is material control?
2. Find out the reorder level from the following
 - a. Maximum consumption of material 300 units
 - b. Maximum reorder period 4 weeks
 - c. Minimum reorder period 2 weeks
3. What is inventory control?
4. What is base stock method of pricing material issues?
5. Write a formula for minimum level & maximum level.
6. What is bin card?
7. Expand FIFO & LIFO.
8. What is EOQ?
9. State any two objectives of material control.

UNIT IV – Labour

1. What do you mean by indirect labour?(3 Times)
2. What is labour turnover? (2 Times)
3. What is direct labour?
4. What is idel time? (2 Times)

- ❖ Primary data is raw and unprocessed, and it has not been previously collected or analyzed by anyone else.

8. What is Secondary data?

- Secondary data refers to data that has been collected by someone else for a purpose other than the one at hand.
- It is information that already exists and has been gathered from primary data. Secondary data can include a wide range of sources, such as government publications, academic journals, industry reports, books, newspapers, and online databases.

9. Give the meaning of questionnaire.

A questionnaire is a structured set of questions designed to gather information from individuals for the purpose of research, analysis, or assessment. It's often used in surveys, studies, or evaluations to collect data on specific topics or behaviors.

10. Meaning of sources of data collection

Data can be collected from various sources, including:

- ❖ Surveys and Questionnaires
- ❖ Interviews
- ❖ Observations
- ❖ Existing Records
- ❖ Experiments
- ❖ Sensors and Devices
- ❖ Social Media and Web Data
- ❖ Focus Groups
- ❖ Case Studies
- ❖ Literature Review

11. Explain any two characteristics of research.

Research typically exhibits the following characteristics:

- ❖ Systematic Inquiry
- ❖ Clear Objectives

- ❖ Critical Analysis
- ❖ Ethical Considerations
- ❖ Contribution to Knowledge
- ❖ Reproducibility
- ❖ Communication
- ❖ Iterative Process

12. Who is a researcher?

"Researcher" is a general term that refers to someone who conducts research. They could work in various fields like science, social sciences, humanities, etc., and their work involves investigating and studying specific topics to discover.



JAYA COLLEGE OF ARTS AND SCIENCE
THIRUNINDRAVUR
DEPARTMENT OF COMMERCE
(COMPUTER APPLICATION)

RESEARCH METHODOLOGY

UNIT -1

1. What is research?

Research is a systematic investigation into a subject to discover new knowledge, validate existing theories, or solve problems. It involves gathering, analyzing, and interpreting data to answer questions or contribute to the understanding of a particular topic.

2. Define research

Research is a systematic investigation or inquiry aimed at discovering, interpreting, and revising facts, theories, or applications of knowledge. It involves a structured process of inquiry to gain new insights, solve problems, or contribute to existing knowledge in a particular field.

3. Explain various types of research.

Research can take various forms, including:

- ❖ Basic Research
- ❖ Applied Research
- ❖ Quantitative Research
- ❖ Qualitative Research
- ❖ Experimental Research
- ❖ Descriptive Research
- ❖ 7 correlation research
- ❖ Action Research

4. Meaning of research design.

Research design refers to the overall plan or strategy that guides the researcher in collecting, analyzing, and interpreting data. It outlines the structure and organization of the study, including the methods and procedures to be used.

5. Write some qualities of good researchers

A good quality researcher typically possesses several key attributes:

- ❖ Curiosity
- ❖ Critical Thinking
- ❖ Creativity
- ❖ Attention
- ❖ Ethical Conduct
- ❖ Persistence
- ❖ Communication Skills
- ❖ Collaboration

6. Write any two reasons for preparation of research design

The preparation of a research design serves several important purposes:

- ❖ Clarity of Purpose
- ❖ Methodological Rigor
- ❖ Resource Optimization
- ❖ Ethical Considerations
- ❖ Feasibility Assessment
- ❖ Risk Management
- ❖ Communication and Collaboration

7. What is Primary data?

- ❖ Primary data refers to original data collected firsthand by researchers for a specific research purpose. This data is gathered directly from the source through methods such as surveys, interviews, observations, experiments, or measurements.

64. Write a functions of hypothesis.
 65. What are the general forms of questionnaire?

10 marks

UNIT 1

66. Describe briefly the different steps involved in a research process.
 67. Discuss the components of a good research design.
 68. Enumerate the sources of hypothesis.
 69. Discuss the sources of secondary data.

UNIT 2

70. Fit a straight line to the following data:

| | | | | | | | | |
|-------------|------|------|------|------|------|------|------|------|
| Year | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
| Sales (Rs.) | 38 | 40 | 65 | 72 | 69 | 60 | 87 | 95 |

 71. Evaluate the importance of concepts in social research.
 72. Explain the significance of pilot study in finalizing the research design with an imaginary example.
 73. Explain Type I and Type II error with suitable example.

UNIT 3

74. Briefly examine the various techniques involved in data collection.
 75. Calculate Mean and Median for the following data:

| | | | | | | | |
|------------------|------|-------|-------|-------|-------|-------|-------|
| Marks: | 0-10 | 10-20 | 20-30 | 30-40 | 40-50 | 50-60 | 60-70 |
| No. of students: | 7 | 18 | 34 | 50 | 35 | 20 | 6 |

 76. Briefly explain the types of research.
 77. Explain the steps in preparing a Research Design.

UNIT 4

78. Enumerate the steps in testing the Hypothesis.
 79. Distinguish between Questionnaire and Schedule.
 80. Find the coefficient of correlation between X and Y from the following data:

| | | | | | | | | | | |
|----|---|----|---|----|----|---|---|---|---|---|
| X: | 5 | 10 | 5 | 11 | 12 | 4 | 3 | 2 | 7 | 1 |
| Y: | 1 | 6 | 2 | 8 | 5 | 1 | 4 | 6 | 5 | 2 |

 81. Describe the various steps in research process.

UNIT 5

82. Discuss the various types of research design
 83. Explain the forms and sources of hypothesis.
 84. Briefly explain the primary sources of data collection.
 85. Calculate the coefficient of correlation from the following data.

| | | | | | | | |
|-------------------------------|----|----|----|----|----|----|----|
| Height of brother (in cm): | 65 | 66 | 67 | 68 | 69 | 70 | 71 |
| Height of sister (in cm): | 67 | 68 | 66 | 69 | 72 | 72 | 79 |

39. What is alternative hypothesis?
40. What is Thesis writing?

5 marks

UNIT 1

41. What are the objectives of research?
42. State the criteria of a good research problem in social research.
43. Explain the features of research design.
44. What are the main characteristics of a good hypothesis?
45. Bring out the limitations of primary data.

UNIT 2

46. Find the line of regression of y on x.

| | | | | | | | |
|----|---|---|----|----|----|----|----|
| x: | 1 | 2 | 3 | 4 | 5 | 8 | 10 |
| y: | 9 | 8 | 10 | 12 | 14 | 16 | 15 |
47. Explain the need and importance of social research.
48. What are the more effective ways to find a suitable research problem?
49. Account for the major steps followed in planning a research project.
50. Examine the role of hypothesis in social research.

UNIT 3

51. Discuss the merits of primary data.
52. What are the main components of report writing in social science research?
53. Calculate Co-efficient of correlation.

| | | | | | | | |
|---|----|----|----|----|----|----|----|
| X | 22 | 24 | 38 | 35 | 69 | 78 | 46 |
| Y | 66 | 59 | 63 | 68 | 75 | 86 | 68 |
54. State the criteria of a good Research
55. What are the factors to be considered while selecting a Research problem?

UNIT 4

56. List of the features of Research Design.
57. State the characteristics of Hypothesis.
58. What are the types of observation?
59. Find the Mean, Median and Mode from the ages of married women in the first child birth:

| | | | | | | | | | | | | |
|-------------------------|----|-----|-----|-----|-----|-----|-----|-----|----|----|----|----|
| First Child | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Number of married women | 37 | 162 | 343 | 390 | 256 | 433 | 161 | 355 | 65 | 85 | 59 | 46 |
60. Explain the contents of preliminary section of thesis writing.

UNIT 5

61. State the features of research.
62. What are the uses of social research?
63. List out the factors influencing research design.

JAYA COLLEGE OF ARTS AND SCIENCE
RESOURCE METHODOLOGY

UNIT 1

1. What is research?
2. Define the statement of problem.
3. What is meant by experimental design?
4. Mention any two uses of preparation of research design.
5. Define secondary data.
6. Give the meaning of questionnaire.
7. Distinguish between primary data and secondary data.
8. Mention any two strengths of secondary data.

UNIT 2

9. Define Correlation.
10. What do you mean by research report?
11. Write any two uses of correlation.
12. What is report writing?
13. What is a research problem?
14. Give the meaning of research process.
15. What is meant by research design?
16. Write the need and importance of research design.

UNIT 3

17. What do you understand by hypothesis?
18. State the meaning of Null hypothesis.
19. What is data?
20. Write down any two examples for primary data.
21. List out the weakness of secondary data.
22. Define Regression.
23. What do you understand by report writing?
24. What is Median?

UNIT 4

25. Define Research.
26. What is meant by Applied Research?
27. Give the meaning of Research Design.
28. Mention any two types of Research Design.
29. Define the term Hypothesis.
30. What is Null Hypothesis?
31. What do you mean by Primary Data?
32. What is Interview Schedule?

UNIT 5

33. What is meant by Analysis of Data?
34. What is Correlation?
35. What is Thesis Writing?
36. What does a measure of central tendency indicate?
37. What do you mean by interview?
38. What do you mean by Hypothesis?



Jaya College of Arts and Science

Department of Accounting and Finance

Subject name: Practical auditing.

Subject code:

Unit-1

(2 marks)

- 1.What do you mean by auditing?
- 2.What is book keeping
3. What is audit note book?
- 4.What do you mean by routine checking?
- 5.Define auditing?
- 6.what is continuous audit?
- 7.What is independent audit?
- 8.Write any two aims of an internal audit ?9.State the meaning of interim audit?
- 10.What is audit programme?

Unit-2

- 1.Define vouching.
- 2.Maintain any two methods of valuation of assets.3.
State the meaning of verification.
- 4.What is valuation?
- 5.What is primary voucher?
- 6.What do you mean by depreciation?
- 7.Explain the meaning of valuation?
- 8.What is meant by verification of assets?

9. Give the meaning of vouching?
10. State the meaning of outstanding liability?

Unit-3

1. Who will be appointing the first auditor company?
2. Write a note on special auditor?
3. Expand the terms CAG and NFRA?
4. What is cost audit?
5. Write a note on special auditor?
6. What do you understand by reappointment auditor?
7. Write a short note on "Branch Audit"?
8. Who appoints the auditor to fill casual vacancies?
9. What are the liabilities of branch auditor?
10. What is management audit?

Unit-4

1. State the meaning of audit report.
2. What is performance audit?
3. Explain the terms of auditors lien?
4. What is balance sheet audit?
5. What are the features of good report?
6. What do you mean by negligence?
7. What is clean report?
8. What is qualified report?
9. What are the different types of audit report?
10. What is accounting year?

Unit-5

1. Give the meaning of EDP system?
2. Maintain the areas where the computer can be used to assist the auditor?
3. Write any two advantages of computer in auditing?
4. What are stand alone personal computer?
5. State the meaning of Electronic Data Processing Audit?
6. What is auditing through the computer?
7. Explain the terms output devices?
8. What is auditing around the computer?
9. State the meaning of EDP audit?
10. What do you mean by computerized system of accounting?

Unit-1

(5 marks)

1. Explain the scope of auditing?
2. What are the disadvantages of the audit programme?
3. What are the objectives of auditing?
4. Distinguish between auditing and accounting?
5. Explain the characteristics of a good audit working purposes?

Unit-2

1. Explain the objectives of vouching?
2. How will you verify the investments?
3. Explain the importance of vouching?
4. "Vouching is backbone of auditing" Explain?
5. Explain the duties of auditor for vouching?

Unit-3

- 1.What are the functions of NFRA?
- 2.Give the powers of NFRA?
- 3.State the relevant provision relating to the appointment of an auditor of a company?
- 4.What are the content of CAG audit?
- 5.Discuss the auditors duty with regard to depreciation?

Unit-4

- 1.How can an auditor be removed?
- 2.State the disqualifications of a person to be appointed as a company auditor?
- 3.What are the right and powers of an auditor?
- 4.Explain the contents of audit report?
- 5 Point out the liabilities of company auditors?

Unit-5

- 1.Explain the procedure of audit under EDP system?
- 2.What are the difference between manual and EDP system?
- 3.Explain the characteristics of an EDP environment.
- 4.Explain the problems of computerised auditing?
- 5.Explain the components of computer.

Unit-1.

(10 marks)

- 1."Auditor is watch dog and not a blood-hound" _Eludicate.
- 2.Explain the various classifications of audit?
- 3.Distinguish between internal check and internal audit?
- 4.Discuss the advantage of continuous audit?
- 5.Explain the advantages and limitations of audit?

Unit-2

- 1.How do you verify vouching of cash payments in a firm?

2. Discuss the procedure for vouching the items appearing on the receipts side of cash book?

3. Explain the duties of an auditor for vouching?

4. Explain the factors to be kept in mind while examining vouchers?

5. What are the differences between verification and valuation?

Unit-3

1. Role of National Financial Reporting Authority.

2. Explain the types of audit?

3. What are the duties of an auditor in respect of provision for depreciation?

4. Discuss the difference between reserves and provision.

5. What are the considerations at the commencement of a new audit.

Unit-4

1. List out the powers, duties and liabilities of a cost auditor.

2. Describe the rights of the company auditor.

3. Describe the qualification and disqualifications for appointment as auditor of a company.

4. Discuss the procedure for the removal of the company auditor under the Companies Act.

5. State the statutory duties of a statutory auditor.

Unit-5

1. What are the characteristics of an EDP environment?

2. Explain the design and procedural aspects of an EDP system.

3. Explain the features of auditing through computer systems.

4. Explain the approaches to audit under an EDP environment.

5. Discuss the procedure of audit under an EDP system.