

**Assignment Topic for M.Com. AA Semester I**

**ADVANCED COST & MANAGEMENT ACCOUNTING**

**Q.1. Capital Structure (NI Approach)**

A company has an EBIT of ₹6,00,000. It plans to raise ₹20,00,000 for expansion through equity and 10% debentures. The equity capitalization rate is 15% and the tax rate is 30%.

Calculate:

- a) Earnings available to equity shareholders
- b) Market value of equity
- c) Overall cost of capital
- d) Optimum capital structure

**Q. 2. Material Cost Variance**

Standard quantity of material for 1,000 units is 5,000 kg at ₹4 per kg. Actual consumption is 5,200 kg at ₹4.20 per kg.

Calculate:

- a) Material Cost Variance
- b) Material Price Variance
- c) Material Usage Variance

**Q.3. Balance Sheet from Ratios**

The following ratios are given:

Current Ratio = 2 : 1

Quick Ratio = 1.5 : 1

Gross Profit Ratio = 25%

Stock Turnover Ratio = 5 times

Sales = ₹20,00,000

Prepare the **Balance Sheet** of the company.

**Q.4.** Explain the meaning and objectives of management accounting.

**Q.5.** Discuss the advantages and limitations of standard costing.

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## ADVANCED FINANCIAL ACCOUNTING

**Q.1.** The following is the **Trial Balance of ABC Bank Ltd.** as on **31st March 2025:**

<b>Particulars</b>	<b>Debit (₹)</b>	<b>Credit (₹)</b>
Cash in Hand	2,50,000	—
Cash with RBI	8,00,000	—
Balances with Other Banks	6,00,000	—
Investments	20,00,000	—
Advances	35,00,000	—
Bills Discounted	5,00,000	—
Fixed Assets	10,00,000	—
Interest Earned	—	6,50,000
Commission Earned	—	1,20,000
Interest Paid	3,00,000	—
Operating Expenses	2,80,000	—
Share Capital	—	15,00,000
Statutory Reserve	—	3,00,000
Deposits	—	55,00,000
Profit & Loss A/c (Opening Balance)	—	5,60,000
<b>Total</b>	<b>94,30,000</b>	<b>94,30,000</b>

**Additional Information:**

1. Provide for Non-Performing Assets @ 5% on Advances.
2. Depreciate Fixed Assets by 10%.
3. Transfer 25% of net profit to Statutory Reserve.
4. Provision for tax amounts to ₹1,20,000.

**Required:**

Prepare the Profit and Loss Account and Balance Sheet of ABC Bank Ltd. as per the Banking Regulation Act, 1949.

**Q. 2. Foreign Currency Transactions**

XYZ Ltd., an Indian company, entered into the following foreign currency transactions:

- Purchased machinery worth **USD 20,000** on **1st January 2025** when the exchange rate was **₹82 per USD**.
- Payment was made on **31st March 2025** when the exchange rate was **₹85 per USD**.

**Required:**

1. Pass necessary **journal entries** in the books of XYZ Ltd.
2. Calculate the **exchange gain or loss** and show its treatment as per the relevant Accounting Standard.

**Q. 3. Final Accounts of a Life Insurance Company**

The following information relates to **Life Secure Insurance Co. Ltd.** for the year ended **31st March 2025**:

- Life Fund on 1st April 2024: ₹75,00,000
- Premium Received: ₹18,00,000
- Claims Paid: ₹9,50,000
- Annuities Paid: ₹3,00,000
- Management Expenses: ₹4,20,000
- Bonus to Policyholders: ₹2,30,000

**Required:**

Prepare the Revenue Account and calculate the closing Life Fund of the Life Insurance Company.

**Q. 4.** Explain the classification of Non-Performing Assets (NPAs) and discuss the provisioning norms applicable to banking companies.

**Q. 5.** Discuss the special features of insurance company accounting, highlighting differences between life insurance and general insurance accounting.

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## DIRECT TAX

### **Q.1. Computation of Total Income – Individual**

Mr. A has the following income for the previous year:

Salary ₹6,50,000

House Rent Allowance ₹1,20,000

Income from House Property ₹80,000

Interest on Savings Account ₹18,000

Investments under Section 80C ₹1,50,000

Compute the **Total Income and Tax Liability**.

### **Q.2. Income from House Property**

Municipal Value ₹3,60,000

Fair Rent ₹3,80,000

Standard Rent ₹3,50,000

Municipal Taxes paid ₹40,000

Interest on Housing Loan ₹1,80,000

Compute **Income from House Property**.

### **Q.3. Tax Liability of Partnership Firm**

The Net Profit of a partnership firm as per P&L Account is ₹9,00,000. Disallowable expenses amount to ₹60,000. Remuneration to partners is ₹1,80,000.

Compute the **Taxable Income and Tax Liability** of the firm.

**Q.4.** Explain the concept of residential status under the Income Tax Act.

**Q.5.** Discuss the various deductions available under Chapter VI-A.

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## **ADVANCED TRENDS IN ACCOUNTING – I**

- Q.1.** Explain the concept and importance of computerized accounting in modern business organizations.
- Q.2.** Discuss the features and advantages of Tally ERP 9 as an accounting software.
- Q.3.** Explain the process of creating and maintaining accounting masters (Ledger, Group, Stock Item) in Tally ERP 9.
- Q.4.** Discuss the procedure of recording accounting vouchers in Tally ERP 9 with suitable examples.
- Q.5.** Explain the Bank Reconciliation Statement (BRS) and its significance in a computerized accounting environment.
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## **RESEARCH METHODOLOGY**

- Q.1.** Explain the meaning, objectives, and significance of research in management studies.
- Q.2.** Discuss the steps involved in the research process, from problem identification to report writing.
- Q.3.** Explain the concept of research design and describe the types of research designs used in business research.
- Q.4.** Discuss sampling techniques, clearly distinguishing between probability and non-probability sampling methods.
- Q.5.** Explain the meaning and importance of hypothesis, and discuss the types of hypotheses used in research.
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## MUTUAL FUND & WEALTH MANAGEMENT

### **Q.1. Return on Mutual Fund Investment**

An investor purchases 1,000 units of a mutual fund at NAV ₹18.50. After one year, the NAV rises to ₹21.00 and a dividend of ₹1.50 per unit is received.

Calculate the **total return and percentage return**.

### **Q.2. Sharpe Ratio**

A mutual fund has an average return of 14%, risk-free rate is 6%, and standard deviation of return is 8%.

Calculate the **Sharpe Ratio** and interpret the result.

### **Q.3. Tax on Mutual Fund Capital Gains**

An investor sells equity mutual fund units after 14 months and earns a capital gain of ₹1,80,000.

Calculate the **tax payable on capital gains**.

**Q.4.** Explain the structure of mutual funds in India.

**Q.5.** Discuss the importance of wealth management in financial planning.

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