

QUESTION PAPER

F.Y.BCAF

SEM-I

OCT. - 2019

U.P. Patil
F.Y. BCAF
SEM-I
OCT-2019

Time: 2½ hours

Total Marks: 75

- N. B.: (1) All questions are compulsory.
 (2) Answers to the same question must be written together.
 (3) Numbers to the right indicate marks.

Q1.A. State whether the statement are True or False:- (any 8 out of 10) (8 Marks)

- 1) A concern should select an accounting policy which enables it to hide losses.
- 2) Inventories are assets invented by the proprietor.
- 3) Inventories should be valued at cost or net realisable value, whichever is higher.
- 4) If revenue expenditure is shown as capital expenditure, the profit & loss account shows lower profits.
- 5) Trail Balance shows profit earned by the firm during a period.
- 6) Drawing account always shows credit balance.
- 7) Lighting is allocated on the basis of Horse power of equipment installed in each department.
- 8) Non-departmental expenses are recorded in the department profit & loss accounts in the sales ratio.
- 9) As soon as full payment is made, the hirer gets possession of the article and can start using it immediately.
- 10) Hire purchase price is the purchase price payable if full payment is made immediately.

B. Match the following:- (Any 7 out of 10) (7 Marks)

1) Accounting policy	a) Lower of cost or net realisable value.
2) Accounting assumption	b) Accrues and is booked as per the terms of relevant agreement.
3) As per AS 2, inventories should be valued at	c) Debit side of Profit & Loss A/c
4) Comparison on cost and NRV is made	d) Consistency
5) Royalty	e) At the year end.
6) A payment made by a business to obtain some benefits	f) On the basis of floor area of each department.
7) Bad debts	g) Materiality
8) Current Liability	h) Provided by hire purchaser on cash price.
9) Rent	i) Expenditure
10) Depreciation	j) Outstanding expenses

Q2. Prepare Department Trading and Profit & Loss Account for two departments, viz. Books Department and Toys Department for the year ended 31st March, 2019: (15 Marks)

Particulars	Rs.
Opening Stock: Books	75,000
Opening Stock: Toys	25,000
Raw material consumed (Books & Toys)	1,80,000
Stores Consumed	45,000
Wages: Toys	15,000
Wages: Books	30,000
Advertisement	7,500
Packing Expenses (Toys)	3,000
Office Expenses	24,000
Depreciation on Factory Equipment	16,000
Depreciation on Building	8,000
Sales: Books	4,50,000
Sales: Toys	90,000
Closing Stock: Books	60,000
Closing Stock: Toys	30,000

Additional information:

1. Toys making does not require any equipment.
2. Only 1/8th of the building is occupied by Toys Department.
3. Divide office expenses in the ratio of 5:1 between Books and Toys Department respectively.
4. Value of raw material used by Toys Department is Rs.10,000.
5. Divide stores consumed on the basis of raw materials used.
6. Advertisement expenses to be allocated appropriately.

OR

Q2. Mahendra Copier purchase printer from Brother Ltd. on hire purchase system on 1st April, 2015. The Cash Price of printer was Rs.96,000. The payment was made as follows:

Date	Payment made
01-04-2015	16,000
31-03-2016	24,000
31-03-2017	23,000
31-03-2018	22,000
31-03-2019	21,000

Depreciate @10% p.a on reducing balance method.

Interest charged every year @5%p.a.

You are to calculate interest and depreciation and prepare Printer A/c and Brother Ltd. A/c in the books of Mahendra Copier.

(15 Marks)

Q3. From the following Trial Balance of Jagdish Enterprises, prepare Manufacturing A/c, Trading and Profit & Loss A/c for the year ended 31st December, 2018 and Balance Sheet as on that date

(15 Marks)

Particulars	Rs.	Particulars	Rs.
Drawings	30,000	Capital	5,00,000
Managers's Salary	6,000	Sundry Creditors	1,00,000
Cash in hand	2,000	Loan	80,000
Cash at Bank	35,000	Reserve for Bad Debts	6,000
Sundry Debtors	95,000	Purchase Returns	7,000
Patents	4,000	Sales	2,64,000
Plant & Machinery	1,00,000		
Land & Building	2,00,000		
Extension to Building	25,000		
Purchase of Raw material	1,00,000		
Raw Materials (01-01-18)	40,000		
Work in Progress (01-01-18)	75,000		
Finished Goods (01-01-18)	95,000		
Carriage Inward	8,000		
Wages and Salaries	90,000		
Factory Expenses	8,000		
Factory Rent and Rates	10,000		
Office Expenses	5,000		
Printing and Stationery	10,000		
Discount	6,000		
Advertisement	5,000		
Bad Debts	4,000		
Goodwill	4,000		
	9,57,000		9,57,000

Adjustments:

- On 31-12-18 stocks were valued as Raw material Rs.50,000; Work-in-progress Rs.80,000 and Finished Goods Rs.1,00,000.
- Outstanding Expenses – Advertisement Rs.500 and Printing Rs.300
- Stock of Stationery on hand Rs.1000 on 31-12-2018.
- Depreciate: Plant & Machinery at 10% and Patents at 20%.
- Manager is entitled for a commission of 5% on Net Profit before charging his commission.
- Increase Reserve for bad debts by Rs.3,000.
- Interest on loan of Rs.1,000 is still unpaid.

OR

Q3. RSVP Ltd. prepared accounts upto 31st March each year. On 31st March, 2019, its stock taking could not be undertaken until 3rd April, 2019 on which date the stock at cost amounted to Rs.1,50,000. An examination of inventories and related financial records disclosed that between 1st and 3rd April.

- Sales totalled Rs.25,000. The rate of gross profit to sales was 25%.
- Returns from customers totalled Rs.5,000.
- Purchases totalled Rs.10,000.
- Returns to suppliers totalled Rs.3000.
- There were arithmetical errors in the stock on 3rd April, resulting in an overvaluation of Rs.2,500.
- Goods sent on approval Rs.7,000.

Ascertain the value of Company's stock as on 31st March, 2019.

(15 Marks)

Q4. Calculate the cost of goods sold and closing stock under First-In-First-Out & Weighted Average Method. (15 Marks)

Date	Transaction	Units	Rate
01-03-2019	Purchases	900	
04-03-2019	Sales	450	4.00
05-03-2019	Purchases	450	7.00
10-03-2019	Sales	300	3.80
18-03-2019	Purchases	300	7.50
23-03-2019	Sales	600	4.20
29-03-2019	Purchases	600	7.75
31-03-2019	Sales	450	4.40
			7.90

Out of purchases March 5, 75 units were returned to the supplier on March 8.

Out of sales on March 23, a customer returned 30 kgs on March 26.

OR

- Q4. State with reason whether the following expenditures or receipts are capital or revenue.
1. A motor truck costing Rs.15,000 and standing in the books at Rs.7,250 was sold for Rs.12,000. (3)
 2. Rs.20,000 received from the issue of further shares. (2)
 3. Rs.75,000 being cost of land purchased. (2)
 4. Rs.1,50,000 paid for excise duty on sugar manufactured. (2)
 5. Rs.50,000 invested on government loan (2)
 6. Rs.60,000 spent on construction of railway siding. (2)
 7. Rs.20,000 spent on overhauling machinery. (2)

Q5.A. What do you mean by Accounting Standards? What are the major considerations that influence accounting policy as per AS 1? (8)

B. What are the characteristics of Revenue Expenditure? (7)

OR

Q5) Short notes: (Any 3 out of 5)

1. FIFO Method.
2. Capital Receipt
3. Bad Debts
4. Stock Reserve
5. Depreciation in Hire Purchase

(15 Marks)

F.Y.B.Com (A&F) Semester I

Duration 2½ Hours

15/10/19

75 Marks

Q1a) State whether the following statements are True or False. (any 8)

(8)

- i) Direct cost can be directly identified with the finished product.
- ii) Cost Accounting is used by investors and creditors.
- iii) Earnings under Halsey and Rowan Plan are the same.
- iv) Wages are paid to White Collared employees.
- v) Wages paid forms a significant part of the product cost.
- vi) A stores ledger contains the quantity and value of materials received, issued and in balance.
- vii) Under FIFO Method, material purchased first are deemed to be issued last.
- viii) Bin card shows the quantity and value of stores.
- ix) The stock in hand may exceed the maximum stock level.
- x) Valuation of closing stock is the same under FIFO and LIFO method.

Q1b) Fill in the blanks. (Any 7)

(7)

- i) There are two piece rates of wages under _____ piece rate system.
- ii) Abnormal losses of materials are charged to _____.
- iii) In _____ method stock is valued at the latest price paid.
- iv) The method of regular physical verification of material throughout the year is known as _____.
- v) The formula for calculating economic order quantity is _____.
- vi) _____ Cost contains both fixed and variable cost.
- vii) A _____ cost is a cost which is directly related to output.
- viii) _____ Costs are the actual cost of acquiring assets or producing goods or services.
- ix) Under _____ Rate System, worker are assured of a steady and regular income.
- x) The formula for fixing minimum stock level is _____.

Q2a) Two components A and B are used in an industry as follows.

(8)

Normal usage	600 units per week
Minimum usage	800 units per week
Maximum usage	250 units per week
Reorder quantity	A 4500 units, Y 7500 units
Reorder period	A 4--6 weeks, Y 2--4 weeks

Calculate for each component the a) Reorder Level, b) Minimum Level c) Maximum Level and d) Average Stock Level.

Q2b) Z LTD furnished the following particulars:

(7)

Annual consumption 3000 units p.a

Cost per unit Rs 400

Cost of processing an order Rs 850

Obsolescence 15% pa and insurance of inventory 25% p.a.

Compute: EOQ and Number of orders per year.

OR

Q2p) The following are the receipts and issues of a manufacturing unit prepare Stores Ledger on the basis of FIFO and Weighted average method.

(15)

March 1st: Opening stock 300 units @9 per unit.

Purchases:

March 3: 250 units@ 10 per unit.

March 15: 300 units@ 10.50 per unit.

March 25: 150 units @ 11 per unit

Issues:

March 11: 400 units

March 20: 210 units

March 29: 100 units

Q3a) From the following information calculate the earnings and effective rate of earnings of both Standard time set for job X and job Y IS 80 Hours and 100 hours respectively. Mr A is engaged on job X and Mr B is engaged on job Y. (8)

Mr A is paid under Halsey plan.

Time Rate per hour: Rs 5

Actual time taken: 64 hours

Mr B is paid under Rowan plan

Time rate per hour: Rs 3

Actual time taken: 80 hours.

Q3b) A worker produced 400 units in a weeks time. The guaranteed weekly wage payment for 45 hours is Rs 80. The expected time to produce one unit is 20 minutes which is raised further by 10% under the incentive scheme. What will be the earnings per hour of that worker under Halsey (50% sharing) and Rowan bonus scheme? (7)

OR

Q3p) MLTD has the following departments A,B C and D and two service department X and Y. The particulars of expenses of their respective departments are as follows (15)

Production Department				Service department	
A	B	C	D	X	Y
5000	4500	4000	3500	2750	1900

The expenses of service department are charged out on a percentage basis given below:

Particulars	Production department				Service department	
	A	B	C	D	X	Y
Service Dept X	10%	30%	20%	20%	—	20%
Srevice Dept Y	30%	20%	30%	10%	10%	—

Prepare statement showing distribution of overheads using Repeated Distribution method and Simultaneous Equation Method

Q4a) From the following information calculate Labour Turnover as per Replacement Method, Separation Method and Flux Method. (8)

No of workers as on 1/1/2015 are 7500.

No of workers as on 31/12/2015 are 8500

During the year 200 workers had left and 300 workers were discharged and 500 workers were replaced Out of which 200 workers were recruited because of exit and the rest were recruited in accordance with expansion plan of the company.

Q4b) Compute the Machine Hour Rate from the following data:

(7)

Particulars	Amount
Cost of Machinery	2,00,000
Installation charges	20,000
Estimated Scrap Value after expiry of its 10 years life	5,000
Rent and Rates per month	400
Lighting per month	500
Insurance Premium per annum	800
Repairs and Maintenance p.a.	1000
Power consumption 10 units per hour and rate per 100 unit of power	50
Supervisors Salary per month	500

Estimated working hours p.a. 2000. The machine occupies $\frac{1}{4}$ th of the total area of the shop. The supervisor is expected to devote $\frac{1}{5}$ th of his time for supervising the machine.

OR

Q4p) X Ltd have 3 production department and 2 service department, calculate departmental overhead rate for each of the production department assuming the overheads are recovered as a percentage of direct wages.

(15)

Particulars	A	B	C	X	Y
Direct wages	30,000	45,000	60,000	15,000	30,000
Direct material	15,000	30,000	30,000	22,500	22,500
Staff Numbers	150	225	225	75	75
Electricity KWH	6,000	4,500	3,000	1,500	1,500
Asset value	30,000	20,000	15,000	5,000	5,000
Light points	10	16	4	6	4
Area sq. ft.	1,500	2,500	500	500	500

The expenses for the period were:

Lighting	800	Store overheads	1,600
Power	2,200	Staff welfare	3,000
Depreciation	30,000	Repairs	6,000
General	12,000	Overhead rent and taxes	550

Apportion the expenses of service department to the production department

Q5a) What do you understand by Direct Material, Direct Wages, Direct Expenses and Indirect Expenses? Give 4 examples of each. (8)

Q5b) Distinguish between Cost Accounting and Financial Accounting. (7)

OR

Q5 p) Write short notes on the following (any 3) (15)

- i) Advantages of Cost Accounting.
- ii) Stock Level.
- iii) Reason for Turn Over.
- iv) *Direct* and indirect labour cost.
- v) Incentive Plans

Total Marks: 75

Time: 2 1/2 hrs

- Use of Simple calculator is allowed.
- Relevant tables or table values are given in the question paper. Where table values are not provided, students are expected to calculate the same.
- All questions are compulsory, subject to internal choice.

Q1. (Attempt both, A and B)

A) Fill in the blanks (Any 8)

(8)

1. EPS stands for _____
2. Cash credit is a _____ term source of fund.
3. Higher the risk, higher would be the expected _____
4. _____ can be explained as impact on EBIT, when there is a change in sales.
5. When present value is known, to find future value we use _____ factor.
6. Infinite series of equal cash flows is termed as _____
7. Cost of retained earnings is termed as _____
8. Present value of future cash inflows (-) outflow = _____
9. According to rule 69, the formula to calculate doubling period is _____
10. _____ is termed as first stage of leverage.

B) True or false (Any 7)

(7)

1. In calculating doubling period, rule 69 is more accurate compared to rule 72.
2. Financial risk is an avoidable risk.
3. Financial leverage effects EBIT.
4. Interest on cash credit is applied only on the actual amount of credit availed and not on the total credit limit sanctioned.
5. Generally equity is a costly source of fund.
6. Increase in preference capital would increase the financial leverage.
7. If discount factor is increased, present value of future cash flows will decrease.
8. Preference capital can be used as a cushion to debenture.
9. Combined leverage = Contribution / EBT.
10. Measurement of working capital is an investment decision.

Q2. (Attempt either A and B OR C and D)

A) You are given cash inflows for a project for 4 years. Calculate present value of future cash inflows considering 12% and 15% discount factors.

(8)

Year	1	2	3	4
Cash inflows (Rs)	2,00,000	2,60,000	3,50,000	4,00,000
Discount factor 12%	0.893	0.797	0.712	0.636
Discount factor 15%	0.870	0.756	0.658	0.572

B) You deposit Rs. 5,00,000 in a bank annually for 3 years. Find value after 3 years if the compound interest rate is 8%. Also find the value after 3 years if the compound interest rate is 10%.

(7)

OR

C) A machine costing Rs.4,20,000 is to be purchased. The following are the expected cash inflows during its 5 useful years:

Year	1	2	3	4	5
Cash inflows (Rs)	75,000	90,000	1,30,000	2,00,000	2,30,000

Find present value of future cash inflows considering 10% and 13% discount factors. Also find NPV under both discount factors.

(Note that discount factors are to be calculated using formula for 10% and 13%) (8)

D) Mr. Rajesh will need Rs.12,00,000 after 4 years. How much amount should he invest today if the compound interest is: i) 7% ii) 10% (7)

Q3. (Attempt either A and B OR C and D)

A) A company has the following capital structure :

Ordinary shares (4,00,000 shares)	Rs. 80,00,000
10% preference shares	Rs. 20,00,000
14% Debentures	Rs. 60,00,000

The shares of the company are presently selling at Rs.15 per share. It is expected that the company will pay dividend of Rs.3 per share which will grow at 2% forever. Assume tax of 40%. Calculate WACC. (8)

B) Prepare income statement with the given information: (7)

Particulars	Z Ltd
Variable cost (%sales)	75
Interest (Rs)	300
Degree of operating leverage	6
Degree of financial leverage	4
Income tax rate (%)	40

OR

C) A company issues 15% debentures of Rs. 100 each, redeemable at par after 6 years. Tax rate is 30%. Calculate cost of debentures if:

- The issue is at par with 5% floatation cost
- The issue is at 10% premium with 5 % floatation cost

(8)

D) Explain the difference between business risk and financial risk. (7)

Q4. (Attempt either A and B OR C and D)

A) 13% preference shares of Rs. 100 each are redeemable at par after 4 years. Dividend tax rate is 20%. Calculate cost of preference shares if:

- The issue is at par with 10% floatation cost.
- The issue is at 10% discount with 5% floatation cost

(8)

B) Sales: 75,000 units.

Selling price: Rs. 24 each.

Variable cost is 50% of sales.

Fixed cost is Rs. 3,00,000.

Interest is Rs. 2,00,000

Tax rate is 40%

Prepare income statement. Find operating leverage, financial leverage.

Calculate EPS if number of shares is 20,000.

OR

C) Determine optimal debt equity mix for the company by calculating WACC: (8)

Debt as % of total capital	After tax cost of debt (%)	Cost of Equity (%)
10	5	12
20	5	12.5
30	5.5	13
40	6	14
50	7.5	17

D) Prepare income statement with the given information: (7)

Particulars	A Ltd
Variable cost (%sales)	50%
Interest (Rs)	200
Degree of operating leverage	5
Degree of financial leverage	3
Income tax rate (%)	40

Q5. (Attempt either A and B OR C)

A) Explain the scope of financial management. (8)

B) Distinguish between equity shares and debentures. (7)

OR

C) Write short note on any 3 (15)

1. Need for short term funds
2. Classification of sources of funds
3. Merits and demerits of preference share capital
4. WACC
5. Profit maximization

B. c

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FYBMS/FYRAF/FYBBI/FYBFM
Semester I OCT 2019

Time : 2.5 hrs

Marks : 75

- Q1) A Fill in the blanks with suitable word (any 8 out of 10) (08)**
- 1 All ---- are codes of one kind or the other (language, symbols, diagrams, messages)
 - 2 The capacity of a group to pull together persistently in pursuit of a common goal is called ----(persuasion, motivation, morale, teamwork)
 - 3 Reports, memos and letters are example of ---- communication (good, technical, written, verbal)
 - 4 Messages get ---- due to faulty transmission (distorted, communicated, delivered, overlooked)
 - 5 The Post Script is included in the _____ section of a commercial letter(Body, Salutation, Complimentary Close, Reference Section)
 - 6 A message arises in the mind of the ----(sender, receiver, medium, decoder)
 - 7 In a letter, the ---- is used to ensure that the letter is handled by the specified person.(dateline, subject line, salutation line, attention line)
 - 8 ---- is given to correct a situation or person(advice, instruction, letter, notice)
 - 9 The ---- is an unofficial channel of communication which spreads distorted messages (grapevine, faulty radio, computer, message)
 - 10 Verbal and --- are two methods of communication (oral, non-verbal, written, letters)
- Q1) B State whether the statements are true or false (any 7 out of 10) (07)**
- 1 Sender is also called as a decoder.
 - 2 Objective of communication is to impart certain skills to individuals.
 - 3 Silence speaks.
 - 4 Language and culture has no connection.
 - 5 Business ethics encompasses all stakeholders.
 - 6 Personal letters are a type of personnel letters.
 - 7 Listening is a mental activity.
 - 8 Sound files can be sent by sms.
 - 9 The facsimile machine is popularly known as the fax machine.
 - 10 Orders are part of upward communication.
- Q2 A Discuss downward communication and its advantages and disadvantages (08)**
- Q2 B Elaborate on the importance of feedback in communication. (07)**
- OR**
- Q2 C Discuss the importance of communication in today's globalized world. (08)**
- Q2 D Discuss Organisational barriers to communication. (07)**

- Q3 A Briefly discuss and explain CSR. (15)
- OR
- Q3 B Explain Business Ethics with specific reference to Surrogate Advertising and Intellectual Property Rights. (08)
- Q3 C Explain any one form of layout of a Business letter. (07)
- Q4 A Draft an application with Curriculum Vitae in response to the advertisement in the Times of India, stating the requirement for a Marketing Executive for Alpha Export House. The application is to be addressed to the HR Manager. Draft the letter in Full Block form of layout. (10)
- Q4 B Draft a letter of acceptance in Modified Block Form:
Mr. Hiren Hingorani from Delhi has been selected for the post of junior accounts clerk in a reputed financial company. He is to join immediately at their Cochin office. (05)
- OR
- Q4 C CRISIL has placed an advertisement in the Employment News dated Oct 9th 2019, stating their requirement for Financial Analyst, Job Code No.9875. Draft the job application letter (use Full Block form of layout) and Curriculum Vitae. (10)
- Q4 D Draft a letter of resignation in Semi-Block Form:
You are an Executive-Credit Analysis at Federal Bank, Andheri Branch. You wish to resign from your current position because you have been selected for the position of Senior Executive-Credit Analysis at Kotak Mahindra Bank. (05)
- Q5 Write short notes on any 3 out of 5 (15)
- 1 Reference Section of a Business Letter.
 - 2 Grapevine.
 - 3 Non-verbal communication
 - 4 'YOU' attitude in letter writing.
 - 5 Etiquette

M.L.Dahanukar College of Commerce
FYBMS/ FYBAF/ FYBBI/ FYBFM
Semester- 1, Oct 2019

Time: 2½ hours

Total Marks: 75

- N. B.: (1) **All** questions are **compulsory**.
 (2) Numbers to the **right** indicate **marks**.

1.A Choose the correct alternatives in the following: (any eight) (8)

1. _____ is a national party.
 a) Biju Janata Dal b) Telugu Desam c) Indian National Congress d) Shiv Sena
2. _____ is the holy book of Sikhs.
 a) Guru Granth Sahib b) Bible c) Quran d) Torah
3. _____ is the chief architect of the Indian Constitution.
 a) Dr. Rajendra Prasad b) Dr. B. R. Ambedkar c) Acharya Kriplani d) Mahatma Gandhi
4. The word _____ envisages the goal of 'Welfare State'.
 a) Sovereign b) Social c) Socialist d) All of the above
5. India is the _____ largest country by area in the world.
 a) 4th b) 7th c) 10th d) 5th
6. _____ arises out of religious fundamentalism.
 a) Communalism b) Casteism c) Secularism d) Linguism
7. Denial of share in property is a form of _____ violence.
 a) Domestic b) Psychological c) Spiritual d) Criminal
8. Lord Mahavir is the 24th Tirthankar of _____.
 a) Jainism b) Buddhism c) Judaism d) Zoroastrianism
9. _____ is a solution to communalism.
 a) Capitalism b) Patriotism c) Communism d) None of the above
10. There is water dispute over _____ river in the states of Maharashtra, Karnataka and Andhra Pradesh.
 a) Kaveri b) Krishna c) Koyna d) Kosi
 e)

412
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- 1.B State whether the following statements are True or False: (any seven) (7)
1. The depressed classes were not only socially backward but also economically backward.
 2. Raja Rammohan Roy opposed sati system.
 3. Eve teasing is a social violence against women.
 4. Municipal council is also known as Nagar Parishad
 5. There are 11 schedules in the Indian constitution.
 6. According to Jesus Christ, "Desire is the root cause of sorrow."
 7. Andhra Pradesh was the first state to be carved out on linguistic lines in the country.
 8. There is 100% political participation of women in India.
 9. Preamble reflects the philosophy of Indian constitution.
 10. Communalism is opposed to secularism.

2. Explain the characteristics of rural India. (15)

OR

2. a. Explain the causes of violence against women in India. (8)
b. What are the recent trends in social stratification in India? (7)

3. What is regionalism? Explain the measures to resolve regional conflict. (15)

OR

3. a. Discuss the measures to resolve communalism. (8)
b. Explain tolerance and communal harmony as crucial values in Indian Society. (7)

4. Explain the causes of declining gender ratio in India. (15)

OR

4. a. Explain any Eight characteristics of Indian Constitution. (8)
b. Write a note on Urban Local Self Government. (7)

5. Explain the concept of Panchayati Raj in India (15)

OR

- Write short notes on the following: (any three) (15)
- a. Political Party system in India
 - b. Preamble of Indian constitution
 - c. Linguism
 - d. Diversity as difference
 - e. Portrayal of Women in Media

Total Marks: 75

Commerce - I

- N. B.: (1) All questions are compulsory.
 (2) Answers to the same question must be written together.
 (3) Numbers to the right indicate marks.

Q1)	A	State whether the following statements are TRUE or FALSE (any 8 out of 10)	(08)
	1	Business Objectives need not be multiple.	
	2	To earn profit is one of the social objectives of business.	
	3	Environment analysis is a continuous process.	
	4	Unethical business practices are acceptable in the society.	
	5	Entrepreneurship is as new as information technology.	
	6	Consumerism creates awareness among the consumers regarding the rights.	
	7	Social responsibility need to be accepted on voluntary basis.	
	8	Tax evasion is a social responsibilities towards consumers.	
	9	Carbon credit have no capacity to reduce emissions.	
	10	WTO establishes a framework for trade policies.	
Q1)	B	Select the most appropriate alternative answer: (any 7 out of 10)	(07)
	1	Highest FDI inflows are to _____ sector. a) Industrial b) business c) services.	
	2	Balance of _____ refers to the difference between the value of imports and exports. a) Trade b) Payment c) business.	
	3	Absence of growth means _____. a) Stagnation b) diversification c) stability.	
	4	Social audit is _____ in India. a) Voluntary b) compulsory c) binding.	
	5	Eco friendly technology is also called _____ technology. a) White b) Green c) Red.	
	6	Charging fair price for goods and services is the responsibility of business towards _____. a) Consumers b) shareholders c) employees.	
	7	To honour rights of consumers is the responsibility of business towards _____. a) Government b) consumers c) shareholders.	
	8	India practices _____ economy. a) Protection b) socialist c) Free market ,	
	9	_____ refers to the code of conduct to be followed by business. a) Culture b) Business Ethics c) Issue.	
	10	To earn profit is one _____ objectives of business. a) Economic b) organic c) financial.	

Q2	A	Define business .State and explain its characteristics.	(08)
Q2	B	What are the limitations of environment analysis?	(07)
		OR	
Q2	C	Explain the main features of business objectives.	(08)
Q2	D	Discuss the guidelines for setting up business objectives.	(07)
Q3	A	Consumerism in India has had a slow growth .Discuss.	(08)
Q3	B	Explain in detail the features of MSMED Act 2006.	(07)
		OR	
Q3	C	What are the arguments against CSR of Business?	(08)
Q3	D	Explain the concept of CSR.	(07)
Q4	A	Define social audit .What are the features of social audit?	(08)
Q4	B	Discuss carbon credit.	(07)
		OR	
Q4	C	Explain the responsibilities of business towards consumers and government.	(08)
Q4	D	What is carbon credit? Discuss.	(07)
Q5	A	Explain the benefits of MNCs to developing countries.	(08)
Q5	B	State the importance of Foreign Direct Investment.	(07)
		OR	
Q5		Write Short Notes (any 3)	(15)
	1	Environmental analysis ,	
	2	Socio Cultural environment.	
	3	SWOT analysis.	
	4	Business Ethics	
	5	Characteristics of Entrepreneur.	

Bus. Economics

M.L.Dahanukar College of Commerce
 FYBMS/FYBAF/FYBBI/ FYBFM
 Semester I OCT 2019

Time : 2.5 hrs

Marks : 75

- Q1) A State whether the following statements are True or False (Any Eight): (08)
- 1 Functions express relationship between two or more variables.
 - 2 Inferior goods have negative income effect but positive substitution effect.
 - 3 Long term forecasts are required for capital investments.
 - 4 An isoquants has a negative slope.
 - 5 In the short run, the firm has to only incur variable costs.
 - 6 Non-price competition is absent in oligopoly.
 - 7 There is no entry for a new firm to a monopoly market.
 - 8 Full cost pricing method has certain limitations.
 - 9 Supply varies directly with price.
 - 10 Price elasticity of demand for necessary commodities is less than one.

- Q1) B Match the following: (Attempt Any Seven): (07)

Group "A"	Group "B"
(1) Marginal Cost	(a) Positive Income Effect
(2) Opportunity Cost	(b) Prof. Paul Sweezy
(3) Demand Function	(c) Prime Cost
(4) Selling Cost may increase	(d) Electricity
(5) Normal Goods	(e) Additional Cost to produce an additional unit.
(6) Iso-Cost Line	(f) Application of Economic Theory and Quantitative Techniques.
(7) Variable Cost	(g) $Q = f(P)$
(8) Composite Demand	(h) Demand
(9) Business Economics	(i) Budget Line
(10) Kinked Demand Curve	(j) Next Best Alternative Use

- Q2 A Explain with an example the concept of production possibility curve (08)
- Q2 B Explain the nature of demand curve in perfect competition market and monopoly (07)

OR

- Q2 C The demand function for commodity Wheat is given by $Q_{dw} = 100 - 5P_w$. (08)
 The price of wheat is given in below table:

Price of wheat (Rs.)
(kg)

Quantity of demanded

2
4
6
8

Answer the following questions:

- 1) Calculate quantity of demand for wheat at given prices.
- 2) With the help of above demand Schedule draw the demand curve.
- 3) Calculate price elasticity of demand when price changes from Rs. 4 to Rs. 8.

Q2 D What is the significance of demand forecasting? (07)

Q3 A Explain law of returns to scale. (08)

Q3 B "The Long run average cost curve envelops a number of short run average cost curves". Discuss (07)

Q3 C Calculate TC, AFC, AVC, ATC, MC (08)

Output	0	1	2	3	4	5
TVC	0	70	90	130	150	170

TFC is 50.

Q3 D What is break-even point? Explain the limitations of break-even analysis (07)

Q4 A What is monopolistic competition? What are its features? (08)

Q4 B Distinguish between Perfect Competition and Monopoly. (07)

Q4 C What is price leadership? Explain the types of price leadership. (08)

Q4 D Explain how equilibrium price is determined under perfect competition (07)

Q5 A When is price discrimination possible and profitable? (08)

Q5 B Write a note on other pricing practices/ methods. (07)

Q5 Write Short Notes (any 3) (15)

1 External Economies.

2 Price elasticity of demand

3 Implicit Cost.

4 Dumping.

5 Cartel Formation.