

**M.Com Finance
Semester 3
Topics for Assignment & Case Analysis**

Course Code: **CO231**
Title: **INCOME TAX PLANNING AND MANAGEMENT**
Assignment Code: **CO2-31/SDE /2021**
Assignment Coverage: **All Modules**
Maximum Marks: **15**

Part A

Attempt any three topics in 4-5 pages. Each question carries 5 marks.

1. Discuss the provisions regarding clubbing of income under IT Act.
2. What are allowable and disallowable expenditure in calculating business income?
3. Discuss the need for tax planning. Explain tax planning tips for imaginary financial transactions.
4. Critically evaluate the deductions available under Sec.80 of the Income Tax Act.
5. Discuss the different provisions regarding assessment of individuals.

Course Code: **CO231**
Title: **INCOME TAX PLANNING AND MANAGEMENT**
Case Analysis Code: **CO2-31/SDE/2021**
Case Analysis Coverage: **All Modules**
Maximum Marks: **10**

Attempt both cases in 4-5 pages. Each case carries 5 marks

1. One of your clients, a government employee, would like to reduce his taxes. He is trying to decide whether he should contribute 50,000 to a Retirement Savings Plan this year. He has life insurance policy to which he pays a monthly premium of 8500.

- a. What advice would you give to your client regarding Retirement Savings Plan contribution? Explain your conclusion.
- b. What are the other alternative methods through he can plan his income and tax.

2. The following four Cases make different assumptions with respect to the amounts of income and deductions of Mr. John for the current year:

	Case I	Case II	Case III	Case IV
Employment Income	35,000	33,000	16,000	28,000
Income (Loss) From Business	(10,000)	(39,000)	22,000	15,000
Income (Loss) From Property	12,000	14,000	(21,000)	(36,000)
Taxable Capital Gains	42,000	36,000	32,000	21,000
Allowable Capital Losses	(18,000)	(42,000)	(69,000)	(27,000)
Subdivision e Deductions (80C)	(4,000)	(7,000)	(5,000)	(11,000)

- a. Required For each Case, calculate Mr. John's Net Income for tax purposes.
- b. Indicate the amount and type of any loss carry overs that would be available at the end of the current year.

Course Code: CO2 32

Title: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Assignment Code: CO2-32/SDE/2021

Assignment Coverage: All Modules

Maximum Marks: 15

Attempt any three topics in 4-5 pages. Each question carries 5 marks.

1. Describe the term CAPM.
2. The Elliot Wave Theory is based on the principle that action is followed by reaction. Elucidate?
3. Explain the phases of Portfolio management.
4. Discuss the tools and techniques of making investment decision.
5. Portfolio management plays a vital role in portfolio decision making. Discuss.

Course Code: CO2 32
Title: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
Case analysis Code: CO2-32/SDE/2021
Coverage: All Modules
Maximum Marks: 10

Attempt both cases in 4-5 pages. Each case carries 5 marks

1. A portfolio is a group of assets in which investors prefer to deposit. The portfolio gives an opportunity to diversify risk. Diversification of risk does not mean that there will be an elimination of risk as future is always uncertain. With every asset, there is an attachment of systematic and unsystematic risk. Even an optimum portfolio cannot eliminate market risk, but can only reduce or eliminate the diversifiable risk.
 - a. Help Mr. X prospective investor to manage return and risk of a security portfolio.
 - b. Discuss the different types of inherent risks.

2. Mr. Rohid purchased 10000 shares from Bombay stock exchange @ Rs 1000 per share. His intention was to selling them at a higher price in later. But there is considerable uncertainty regarding the future movement of share price in stock market. The investor is having the possibility of incurring a loss by the declining of share price.
How can Mr. Rohid avoid such risk and protect himself from the loss by hedging through financial derivatives?
Discuss the possible losses and profits in the stock market.

Course Code: CO2 33
Title: STRATEGIC FINANCIAL MANAGEMENT
Assignment Code: CO2-33/SDE/2021
Assignment Coverage: All Modules
Maximum Marks: 15

Attempt any three topics in 4-5 pages. Each question carries 5 marks.

1. What is corporate restructuring?
2. What are the salient differences in the frameworks commonly employed in strategic planning and financial analysis?
3. What is ethics? What are the compelling arguments for bringing ethics to bear on strategic financial decision making?

4. What do you mean by Special Purpose Vehicles.
5. Attempt a note on financial engineering in strategic financial management.
6. “Ratio analysis is the measure of strength and weaknesses of the firm.”Discuss.

<p>Course Code: CO2 33 Title: STRATEGIC FINANCIAL MANAGEMENT Case analysis Code: CO2-33/SDE/2021 Coverage: All Modules Maximum Marks: 10</p>

Attempt both cases in 4-5 pages. Each case carries 5 marks

1. Bajaj auto Limited has been a leading two wheeler and three wheeler automobile manufacturing company for many years. For quite some time it also engaged in auto finance through its subsidiary Bajaj Auto Finance. In recent years, it set up subsidiaries for doing life insurance business and general insurance business. Given its substantial presence in the auto sector and finance and insurance sector, the company felt the need for separating its auto business and financial assets. In order to do this the company has done a demerger in early 2008.
 - a. Site the essence of demerger plan of Bajaj auto Limited.
 - b. State the after effect of the demerger.
 - c. Discuss the advantages of professional specialization in this context.
2. Headquartered in the U.S., Merck is a leading multinational pharmaceutical company that does business in more than 100 countries. More than 50 per cent of its sales are made abroad and foreign sales are billed in local currencies. Merck spends large sums of money on research and development which is critical or enhances its competitive strength. A major concern for the management is that unexpected foreign exchange losses could curtail its research and development outlays which are essential for its success. So, Merck's risk management programme is designed to reduce the likelihood of such an outcome.
 - a. Explain Merck addressed the issues through various steps when its risk management programme was put in place.
 - b. What are the various ways of minimizing foreign exchange losses.

Course Code: **CO234**

Title: **ADVANCED COST AND MANAGEMENT ACCOUNTING**

Assignment Code: **CO2-34/SDE/2021**

Assignment Coverage: **All Modules**

Maximum Marks: **15**

Part A

Attempt any three topics in 4-5 pages. Each question carries 5 marks.

1. A company manufactures a single product which passes through two processes the output of process 1 becoming the input to process 2. Normal losses and abnormal losses are defective units having a scrap value and cash is received at the end on the period for all such units.

The following information relates to the four week period.

Raw material issued to process 1 was 3,000 units at the cost of Rs. 5/- per unit.

There was no opening and closing work-in-progress but opening and closing stock of finished goods were Rs. 20,000/- and Rs. 23,000/- respectively.

	Process 1	Process 2
Normal loss as a percentage of input	10%	5%
Output in units	2,800	2,600
Scrap value per unit	Rs. 2	Rs. 5
Additional Components	1,000	780
Direct wages incurred	4,000	6,000
Direct expenses incurred	10,000	14,000
Production O/H as a percentage of wages	75%	125%

You are required to present the account for

- a) Process 1 and 2
 - b) Finished Goods
 - c) Normal Loss
 - d) Abnormal Loss
 - e) Abnormal Gain
 - f) Profit & Loss Account
2. a) Define Standard Costing. Explain the need and significance of standard costing.

- b) Distinguish between estimated costing and Standard Costing.
 c) Give the formulae (all) for Material variances, labour variances, O/H variances and Sales variances

3. Explain the Following

- a) Transfer Pricing
 b) Material variance
 c) Target costing
 d) TQM

4. A) Assume that a firm has owner's equity of Rs. 1,00,000/-. The ratios for the firm

- are: Short term debt to total debt - 0.40
 Total Debt to owner's equity - 0.60
 Fixed asset to owner's equity - 0.60
 Total asset turnover - 2 times
 Inventory turnover - 8 times

Complete the following balance Sheet, from the information given above

Capital & Liabilities	Rs.	Assets	Rs.
Short Term Debt		Cash	
Long term Debt		Inventory	
Total Debt		Total Current Assets	
Owner's Equity		Fixed Assets	
Total		Total	

B) Draw a Proforma of Cash Flow Statement as per AS3.

5. Explain different type of ratios.

Course Code: **CO234**

Title: **ADVANCED COST AND MANAGEMENT ACCOUNTING**

Case Analysis Code: **CO2-34/SDE/2021**

Case Analysis Coverage: **All Modules**

Maximum Marks: **10**

Attempt case in 8-10 pages. Each case carries 5 marks

1. A Japanese Soft Drink Company is planning to establish a subsidiary company in India to produce Mineral Water.

Based on the estimated annual sales of 40,000 bottles of the mineral water, cost studies produced the following estimates for the Indian subsidiary.

		% of Variable cost
Material	Rs. 1,20,000	100%

Labour	Rs. 1,50,000	80%
Factory Overhead	Rs. 92,000	60%
Administration O/H	Rs. 40,000	35%

The Indian production will be sold by manufacturer's representatives who will receive a commission of 8% of the sale price. No portion of the Japanese office is to be allocated to the Indian Subsidiary.

Required to

- Compute the sale price per bottle enable the management to realise an estimated 10% profit on sale proceeds in India.
- Calculate the BEP in rupees and also in number of bottles for the Indian subsidiary on the assumption that the sale price is Rs. 14/- per bottle.
- Prepare break even chart and comment on the profitability of the firm.
- Discuss the relevance of CVP analysis in this context.
