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3 Year Validity (Multiple Devices)

IAS Mains Commerce Papers 1986

IAS Mains Commerce 1986

Paper I

Section A

1. Answer any three of the following is not more than 200 words each:
 - a. Explain Current Purchasing Power Method of accounting for price level changes. Give a suitable example.
 - b. What are the disqualifications of a statutory auditor of a company?
 - c. Distinguish between Internal and External Reconstruction.
 - d. What are the different categories of assesses with regard to residential status under Indian

Income Tax Law? How is the residential status of an individual assesses determined under the Indian income Tax Law?

2. When X Ltd. operates at normal capacity, it manufactures 1,00,000 units per annum at the following unit cost:
 - ₹
 - Direct Material 10
 - Direct Labour 3
 - Variable Overheads 4
 - Fixed Overheads 6

- Total cost per unit 23
 - The selling price is ₹ 28 per unit.
 - Due to several reasons, the company finds that during the next 4 months, it can produce and sell only 8,000 units. The management wishes to close down the plant temporarily and can reduce the fixed overheads during the 4 month period to ₹ 7,000. The fixed overheads are incurred at a uniform rate throughout the year. In case the plant is shut down, an additional cost of ₹ 15,000 is estimated during this period of 4 months.
 - You are required-
 - a. to express your opinion (giving calculations to Support your opinion) whether the plant should be shut down for four months.
 - b. to find out shut-down point in units for the 4-month period.
3. Compute the fair value of the equity share of the company from the following information:
- Liabilities ₹ Assets ₹
 - Equity shares 40,000 of ₹ 10 each fully paid up
 - Reserve and Surplus
 - General Reserve
 - Reserve and Surplus:
 - General Reserve
 - Profit and Loss A/c
 - Secured Loans 15% Debentures 4, 00, 000 90, 000 90, 000 20, 000 1,00, 000
 - Fixed Assets (Net)
 - Current Assets
 - Goodwill 5, 00, 000 2, 00,000 40,000
 - Current Liabilities 1, 30, 000 7, 40, 000 7,40, 000
 - Fixed Assets are revalued at ₹ 3,50, 000 and Goodwill at ₹ 50,000. The Net Profits for the last three years were ₹ 57,600, ₹ 58,000 and ₹ 57,600 respectively. Out of these profits, 25% was transferred to General Reserve. Return expected in similar companies, after transfer of profit to General Reserve of such percentage of Net Profit, stands at 15% .
4. Answer the following questions
- a. What are the circumstances when an auditor of a company finds it necessary to qualify his report?
 - b. Discuss the provisions of Income-Tax Act, 1961 relating to the exemption from Income Tax of the following
 - i. Casual Income.

ii. House Rent Allowance.

Section B

1. Answer any three of the following in not more than 200 words each:
 - a. Explain. Discounted Cash Flow Method in ranking investment proposals.
 - b. Discuss the salient features of the Banking Regulation Act, 1949 regarding supervision and regulation of banks.
 - c. What are the deficiencies of Indian Money Market? Suggest remedies
 - d. Explain the concept and objectives of Optimal Capital Structure.
2. Answer the following questions
 - a. What is crossing? How do various types of crossing protect the paying banker against wrong payment?
 - b. Explain various techniques of analysing working capital of a company.
3. Evaluate the contribution of the industrial Development Bank of India for the industrial growth of the country.
4. Answer the following questions
 - a. What are the determinants of optional dividend policy of a company?
 - b. Summarise the recommendations of Chore Committee. What happened to these recommendations?

Paper II

Section A

1. Write notes on any three of the following in not more than 200 words on each:
 - a. Goal Displacement.
 - b. Limitations of Informal Organisation.
 - c. Management of conflicts in organisation.
 - d. Perception.
2. What is Transactional Analysis? How does it help in improving interpersonal relationship?
3. Morale and productivity move together like the east and west sides of an elevator Do you agree with this view? Give reasons in support of your answer.
4. Distinguish between organizational effectiveness and managerial effectiveness. How does the degree of integration of goals affect organizational effectiveness?

Section B

1. Write notes on any three of the following in not more than 200 words on each:
 - a. Role of personnel department in an organization.
 - b. Effectiveness of collective bargaining in Indian conditions.

- c. Commitment of industrial labour in India.
 - d. Wage differentials in India.
- 2. Examine industrial relations situation in public enterprises in India during the eighties and suggest measures to improve it.
- 3. In case the real objective of a trade union is to protect and promote the economic interests of the workers, why should it engage in political action? What other methods do the trade unions adopt to protect the interests of their members?
- 4. Examine the influence of the ILO on labour legislation and trade union movement in India.