

2012

DDE

M.Com. Part-I Examination

**(FARM MANAGEMENT, ACCOUNTING THEORY
AND CONTEMPORARY ISSUES IN ACCOUNTING)**

PAPER—IV

Full Marks : 100

Time : 4 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Write the answer question of each Half in separate books.

First Half

(Farm Management)

[Marks : 50]

Answer Q. No. 1 and any two from the rest.

1. Answer any four questions : 5×4

- (a) What is the scope of farm management ?
- (b) What are the factors that hindered the success of land reforms ?
- (c) Write a short note on soil management.

(Turn Over)

- (d) What are the factors that determine the efficiency of farm labour?
- (e) Write the advantages and disadvantages of using own machines and contractual services.
- (f) Crop rotation has many advantages — elaborate briefly.
- (g) Establish the relationship between size classes of holdings and marketable surplus.
- (h) Distinguish between risk and uncertainty. How can risk in farming be minimized?
2. Define the law of variable proportion. Diagrammatically explain the relationship between Total Product, Average product and Marginal Product under this law. 3+12
3. Establish the relationship between production and cost. Explain the three zones of cost function. 5+10
4. Distinguish between productivity and efficiency. Debate on the relationship between —
- (i) farm size & productivity and
- (ii) farm size & efficiency. 3+8+4
5. Evaluate the impact and progress of Green Revolution in India. 10+5

Second Half
(Accounting Theory and Contemporary
Issues in Accounting)

[Marks : 50]

Answer Q. No. 6 and any other two questions taking one from each Group.

6. Answer any four of the following : 5×4
- (a) Define income and expenditure.
- (b) Write any two needs of inflation accounting.
- (c) Write any five differences between Value Added Statement and Profit and Loss Statement.
- (d) Illustrate 'Replacement Cost Model' of human resource valuation and accounting.
- (e) What is deprival value in asset valuation? Write the deprival value in the following cases—
- (i) $NPV > NRV > RC$
- (ii) $NRV > NPV > RC$
- (iii) $NPV > RC > NRV$
- Where RC = Replacement Cost
NPV = Net Present Value
NRV = Net Realisable Value
- (f) Explain the Matching Principle in accounting.
- (g) Illustrate Social Cost and Social Benefit.
- (h) Explain Cost of Sales Adjustment (COSA) and Monetary Working Capital Adjustment (MWCA) in current Cost Accounting.

Group—A
(Accounting Theory)

7. (a) Write the role of Accounting Standard Board (ASB) in India.
(b) Write the major guidelines of fixed asset valuation as per Indian Accounting Standard - 10
- 5+10
8. (a) Explain different methods of asset valuation.
(b) Illustrate different capital maintenance concepts.
- 10+5

Group—B
(Contemporary issues in Accounting)

9. (a) Write the features of Diminishing Balance Method of Depreciation.
(b) Derive that under Diminishing Balance Method of Depreciation, Periodic Depreciation is
 $d_t = cr(1-r)^{t-1}$ and $V_t = c(1-r)^t$
where r = Rate of depreciation
 c = Cost of the asset.
 d_t = t th period depreciation and
 v_t = value of the asset at the end of t th period
(c) Value of an asset at the end of 5th year is Rs. 1,20,000 and the same asset value at the end of 7th year is Rs. 98,000. Calculate original cost of the asset if the organisation follows diminishing balance method of depreciation.

(2+2)+6+5

10. (a) Distinguish between
(i) Gross Value Added (GVA) and Net Value Added (NVA).
(ii) Value Added and Economic Value Added (EVA).
(b) From the following Profit and Loss Account of the Mega Ltd. You are asked to prepare Value Added Statement under both Subtractive and Additive methods.

Mega Ltd.
Profit and Loss Account
for the year ended 31.3.2012

Dr.	(Rs.'000)	Income	Cr. (Rs.'000)
To Materials	4,750	By Sales	11,950
" Wages :		" Finished goods supplied to employees as a part of their remuneration	300
Cash	1,050	" Government Subsidies	200
Kind	300	" Interest on Securities	250
" Excise duty	100		
" Electricity	125		
" Carriage inward	650		
" Salaries	975		
" Rent	200		
" Depreciation	1,150		
" Preliminary expenses written off	100		
			Contd.

(Turn Over)

<i>Expenditure</i>	<i>(Rs.'000)</i>	<i>Income</i>	<i>(Rs.'000)</i>
" Debenture interest	60		
" Managerial remuneration	1,000		
" Net Profit c/d	2,240		
	<u>12,700</u>		<u>12,700</u>
To Dividend	700	By Net Profit b/d	2,240
" Tax	1,020		
" Reserve	520		
	<u>2,240</u>		<u>2,240</u>
			(2+2)+11