

2015

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 : 4×5

(a) What are the purposes of Farm management?

(b) Distinguish between return to scale and return to a variable factor.

(Turn Over)

- (c) Distinguish between fixed costs and running costs of machine.
- (d) How is farm size related with the efficiency of production?
- (e) State the features of New Technology in Agriculture in India.
- (f) Distinguish between marketable surplus and marketed surplus of agricultural production.
- (g) What do you mean by cropping pattern? How is it related with agricultural productivity?
- (h) Write a short note on fertiliser management in agriculture.
2. Illustrate the equilibrium situation of agricultural production when —
- (a) production is maximized for given cost constraints
and
- (b) cost is minimised for given level of output. 8+7
3. Explain the three zones of Cost function. Find out economically efficient production zone. 9+6
4. Explain how marketable surplus is related with the
- (a) price of the crop and
- (b) site classes of land holdings. 8+7
5. Explain the three regions of production for single variable production function. 15

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 : 4×5
- (a) Write the Going Concern Principle in accounting.
- (b) Define asset and liability.
- (c) Write the advantages and limitations of value added concept.
- (d) Write the needs of social accounting.
- (e) Explain the terms Depreciation, Depletion and Amortization.
- (f) Write the features of Current Purchasing Power method in inflation accounting.
- (g) Explain the term Replacement Cost, Net Realisable Value in asset valuation.
- (h) Write Consistency Principle in accounting.

Group—A
(Accounting Theory)

7. (a) Write the basic accounting equation. Show that the basic accounting equation remains unchanged even when different types of transactions (Revenue earning, expenditure incurred, Introduction and withdrawal of capital) take place during an accounting period.
- (b) Define lifetime and periodic profit. Examine the role of asset valuation and capital maintenance methods on both the life time and periodic profit measurement.
- (1+6)+(2+6)

8. (a) Write the needs of Accounting standard.
- (b) Write the features of Indian Accounting standard-3 on preparation of Cash flow Statement.
- (c) Explain the term Transparency of accounting statements.
- 3+9+3

Group—B
(Contemporary Issues in Accounting)

9. (a) Write the features of Annuity method of depreciation.
- (b) Show mathematically that under sinking fund method, periodic depreciation.

$d_0 = cr / (1 + r)^n - 1$ Where d_0 = Periodic depreciation
 r = Rate of interest
 c = Original cost of asset
 n = Useful service period of the asset

Also show that $a - d_0 = cr$

where a = Periodic annuity depreciation.

- (c) An asset is depreciated under annuity method and annual Rs.1600 ; Rate of interest carried by the firm is 10% p.a. ; the useful life of the asset is 3 years. Calculate the periodic depreciation of the asset under Sinking Fund method. Also calculate the original cost of the asset.
- 2+(5+3)+5
10. (a) What are the needs of Human Resource Accounting ? Why are human resources not shown in the traditional financial statements ?
- (b) From the following information calculate the human resource value of different categories of employees present in the organization and the total human resource value using Lev and scherwatz Model :

| Age Group/Types of Employees (Year) | Skilled | Unskilled | Total |
|---|----------|-----------|----------|
| 20-29 | 5 | - | 5 |
| 30-39 | - | - | - |
| 40-49 | 1 | 2 | 3 |
| 50-59 | - | 1 | 1 |
| Total | <u>6</u> | <u>3</u> | <u>9</u> |

You are given that cost of capital of the firm which is 10% ; Annuity value of Re 1 at 10% discount rate is 6.734 and Present value of Re 1 at 10th year at 10% discount rate is .589.

2+3+10