7162/BA1

BUSINESS COMMUNICATION AND OFFICE MANAGEMENT

(For those who joined in July 2003 and after)

Time : Three hours   Maximum : 100 marks

SECTION A — (4 × 10 = 40 marks)

Answer any FOUR questions.

Answer not to exceed 1 page.

1. State the significance of business communication.

2. Mention the precautions to be taken while writing refusal letters.

3. As a Branch Manager, write a letter to the Head Office recommending confirmation of a Probationary Assistant.

4. Write a circular letter intimating the inauguration of a new business.

5. Explain the importance of office in modern business organisation.

6. Narrate the advantages of office manual.

7. Describe the importance of proper lighting and ventilation in an office.

8. Explain the significance of records management in modern office.

SECTION B — (3 × 20 = 60 marks)

Answer any THREE questions.

Answer not to exceed 3 pages.

9. Explain the structure of a business letter.

10. Draft an unsolicited application for the post of office manager in Reliance Fresh Super Market, Chennai.

11. Write a letter to the Income Tax Commissioner asking permission to pay the Income Tax in instalments.

12. Discuss the functions of a Modern Office.

13. Explain the essential features of a good filing system.

14. Explain the merits and demerits of mechanisation of office functions.

ECONOMIC ANALYSIS

(For those who joined in July 2003 and after)

Time : Three hours   Maximum : 100 marks

SECTION A — (4 × 10 = 40 marks)

Answer any FOUR questions.

1.   Explain the difference between micro and macro economics.

2.   How to calculate the consumer's surplus in economic analysis?

3.   Narrate the merits and demerits of rationalization.

4.   Describe the difference between law of returns and returns to scale.

5.   Describe the calculation method of both fixed and variable cost.

6.   Compare the long term equilibrium with the different cost conditions of perfect competition.

7.   How to calculate the GNP in expenditure method?

8.   What is the meaning of gross profit and net profit? Explain.

SECTION B — (3 × 20 = 60 marks)

Answer any THREE questions.

9.   Analyse the law of diminishing returns. Why it is called the law of variable properties?

10.   Analyse the three stages of returns to scale.

11.   Analyse the revenue curve in perfect competition.

12.   Analyse the equilibrium of the monopolistic competition.

13.   Explain the problems of national income calculation.

14.   Analyse the schumpeters innovation theory of profit.

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OCTOBER 2008

BANKING LAW AND PRACTICE

(For those who joined in July 2003 and after)

Time : Three hours   Maximum : 100 marks

SECTION A — (4 × 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

Answer not exceeding 1 page.

1.   Explain the special relationship between a banker and a customer.

2.   Explain the special features of a fixed deposit.

3.   Explain the different types of endorsement.

4.   Explain holder in due course.

5.   Explain rule in Clayton's in case. What are the statutory protection available to a paying banker?

6.   What are the differences between a cheque and a bill of exchange?

7.   When does a banker close the account of his customer?

8.   State what precautions should a banker taken while advancing loan on the security of a life policy.

SECTION B — (3 × 20 = 60 marks)

Answer any THREE questions.

All questions carry equal marks.

Each answer should not exceed 3 pages.

9.   Discuss the precautions to be taken by a banker before granting a loan.

10.   Explain the legal aspects of entries in the pass book.

11.   Explain the principles of a holder in due course and a payment in due course.

12.   What are the obligations of a banker towards his customer?

13.   Mention the consequences of wrongful dishonour of cheques.

14.   What do you mean by mortgage? Explain the different kinds of it?

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FINANCIAL ACCOUNTING AND COST
ACCOUNTING

(For those who joined in July 2003 and after)

Time : Three hours   Maximum : 100 marks

Answer any FIVE choosing not more than
THREE from each Part.

All questions carry equal marks.

PART A

1.   What are the three kinds of Accounts? What are
the 'rules' governing 'Debiting' and 'Crediting' of those
accounts?

2.   (a)   What is double entry system? What are its
advantages?

(b)   Distinguish   between   "Receipts   and
Payments Account" and "Income and Expenditure
Account".

3.   Enter the following transactions in a Simple Cash
Book of Shri. Subramanian.

2007			Rs.
April	1	Commenced business with cash	24,000
	5	Bought goods for cash	6,000
	10	Goods sold for cash	11,200
	13	Paid into Bank	2,500
	14	Sold goods to Ganesan on credit	9,000
	15	Bought goods from Mohan on credit	13,600
	20	Purchased furniture	9,600
	21	Purchased stationary	160
	23	Received cheque from Ganesan	9,000
	25	Paid Mohan	13,600
	26	Received commission	740
	27	Paid Telephone charges	300
	30	Drawn from Bank	3,800

4.   The following are the ledger balances extracted
from the books of Deepak. Prepare Trading, Profit and
Loss account and Balance Sheet.

	Rs.
Deepak capital	50,000
Bank overdraft	8,400
Furniture	5,200

	Rs.
Business premises	40,000
Creditors	26,600
Opening stock	44,000
Debtors	36,000
Rent from tenants	2,000
Purchases	2,20,000
Sales	3,01,000
Return inwards	5,000
Discount (cr)	800
General expenses	8,000
Taxes and Insurance	4,000
Salaries	18,000
Commission allowed	4,400
Carriage on purchases	3,600
Provision for doubtful debts	1,000
Bad debts written off	1,600

Adjustments :

(a) Stock on hand on 31.12.2007 Rs. 90,000.

(b) Provide depreciation on Premises at 2.5%, Plant and Machinery at 7.5% and Furniture and Fixture at 10%.

(c) Write off Rs. 800 as further bad debts.

(d) Provide for doubtful debts at 5% on sundry debtors.

(e) Outstanding rent was Rs. 500 and outstanding wages Rs. 400.

(f) Prepaid insurance Rs. 300 are prepaid salaries Rs. 700.

5. A second hand machine was purchased on 1.1.2000 for Rs. 40,000 and repair charges amounted to Rs. 6,000. It was installed at a cost of Rs. 4,000. On 1st July, 2001 another machine was purchased for Rs. 26,000. On 1st July, 2002 the first machine was sold for Rs. 30,000 and on the same date a new machine was bought for Rs. 25,000. Prepare Machinery a/c for 3 years assuming the rate of depreciation is 10% p.a. under Straight Line Method and the amounts are closed on every 31st December.

PART B

6. Define Cost. What are the elements of Cost?

7. Define the term Budget. What are the essentials of a budget?

8. Prepare the Stores Ledger account, pricing the issues at

(a) Simple average rate

(b) Weighted average rate.

	Receipts		Issues
	Qty.	Rate (Rs.)	
15.03.07	200	2.00	—
18.03.07	300	2.40	—
25.03.07	—	—	250
28.03.07	250	2.60	—
30.03.07	—	—	200

9. Draw up a flexible budget for overhead expenses on the basis of the following data and determine rate at 70%, 80% and 90% plant capacity.

	At 80% capacity Rs.
Variable overheads :	
Indirect labour	12,000
Stores including spares	4,000
Semi-variable overheads :	
Power (30% fixed, 70% variable)	20,000
Repairs and maintenance (60% fixed, 40% variable)	2,000

	At 80% capacity Rs.
Fixed overheads :	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total overheads	62,000

Estimated direct labour hours 1,24,000.

10. The standard material and standard cost per kg. of material required for the production of one unit of Product A is as follows :

Material   5 kgs

Standard price   Rs. 5 per kg.

The actual production and related material data are as follows :

400 units of Product A

Material used 2,200 kgs

Price of material Rs. 4.50 per kg.

Calculate:

(a) Material cost variance

(b) Material usage variance

(c) Material price variance.

MONEY, BANKING, TRADE AND TRANSPORT

(For those who joined in July 2003 and after)

Time : Three hours　　　　　　　Maximum : 100 marks

SECTION A — (4 × 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

Answers should not exceed 1 page for each question.

1.　Explain the various forms or kinds of money.

2.　What do you mean by 'The Minimum Reserve System'?

3.　Explain the differences between Income theory and the Quantity Theory.

4.　Explain the term, "Inflationary Gap".

5.　What are the various instruments of credit?

6.　Explain the fundamental difference between a commercial bank and a central bank.

7.　What are the causes of disequilibrium in balance of payments?

8.　What are the advantages of Roadway system?

SECTION B — (3 × 20 = 60 marks)

Answer any THREE questions.

All questions carry equal marks.

Answers should not exceed 3 pages for each question.

9.　Define money. What is its importance in our modern society?

10.　Explain the concept of inflationary and deflationary gaps and their effects on employment and income. How could the gaps be closed?

11.　Explain the methods of controlling trade cycles.

12.　Briefly assess the impact of the nationalisation of banks.

13.　Explain the theory of comparative costs.

14.　Explain the role of railways in the economic development of a country.