

MID-WEST UNIVERSITY
FACULTY OF MANAGEMENT
MAKE-UP EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER – VIII

Subject: Business Accounting
Full Marks: 100

Course Code: ACC 385
Time: 3 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)

Answer **ALL** questions.

- Q1. Give any two features of goodwill.
- Q2. State any two purposes for admitting a new partner.
- Q3. Give two examples of abnormal loss in case of consignment business.
- Q4. A and B are partners sharing profits in the ratio of 3:2. C is admitted for 1/5th share of profit. Calculate the new profit sharing ratio.
- Q5. What are the two methods of maintaining capital accounts of partner?
- Q6. List any four contents of partnership deed.
- Q7. Calculate super profit from the information given below:
Net capital employed Rs. 300,000
Average profit for the last four years Rs. 35,000
Normal rate of return 10%
- Q8. State any two features of Installment Purchase System.
- Q9. Write two names of the items of the balance sheet which are not transferred to Realization Account.
- Q10. Calculate hire purchase price from the following:
Cash price Rs. 53,000
Hire charges Rs. 7,000

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

- Q11. What is the meaning of joint venture? Write the differences between joint venture and partnership. (2 + 6)
- Q12. Define goodwill and describe the factors affecting the value of goodwill. (2+6)
- Q13. On 1 January, 2017 Saxam purchased a printing machine on hire purchase system from Modern Machine Co. The payment was to be made as Rs. 10,000 down and balance in three installments of Rs. 12,000 each, payable annually on 31st December. The cash price of the machine was Rs. 40,000. 10% interest is charged by the hire vendor per annum. Depreciate the machine 10% per annum according to written down value method.
Required: (i) Working table (2)
(ii) Journal entries in the books of Saxam for the year 2017 (6)
- Q14. The following information relates to the business of XYZ Ltd.:
- i) Net trading profits of the company for the past 5 years are:

Year	2016	2017	2018	2019	2020
Profit (Rs.)	20,000	25,000	(10,000)	55,000	60,000

- ii) Capital employed in the business: Rs. 150,000
iii) Normal rate of return: 10%
iv) Present value of an annuity of Rs. 1 for 5 years at 10% Rs 3.78
Calculate the value of goodwill:
a) On the basis of 3 years' purchase of average profits
b) On the basis of 5 years' purchase of super profits
c) On the basis of annuity of super profit method

(3+3+2)

- Q15. X, Y and Z are in partnership business sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31st Chaitra, 2077 was as under:

Capital and Liabilities	Amount	Assets	Amount
Sundry creditors	11,600	Cash at bank	1,600
General reserve	1,800	Stock-in-trade	10,400
Capitals:		Sundry debtors	12,000
X	15,100	Plant and Machinery	9,600
Y	11,400	Land and Building	16,400
Z	10,100		
	50,000		50,000

X retired on Baisakh1, 2078 and on that date assets and liabilities were revalued as under:

Stock-in-trade Rs. 9,600 Sundry Debtors Rs. 11,200
 Plant and Machinery Rs. 8,800 Land and Building Rs. 20,600
 Sundry Creditors Rs. 11,000

Goodwill of the firm is valued at Rs. 3,600

Assuming that above adjustments are duly carried through after X's retirement. Balance in his capital account is transferred to his loan account.

Required: (a) Revaluation account (2)
 (b) Partners' Capital accounts (2+2+2)

- Q16. Kavita and Savita started a partnership business on 1-1-2077. Their capital contributions were Rs. 200,000 and Rs. 150,000 respectively. The partnership deed provided that:

- (a) Interest on capital at 10% p.a.
 (b) Kavita to get salary of Rs. 24,000 per annum and Savita Rs. 36,000 per annum.
 (c) Profits are to be shared in the ratio of 3:2.

The profit for the year ended 31-12-2077 before making above appropriations was Rs. 216,000. Interest on drawings amounted to Rs. 2,200 for Kavita and Rs. 2,500 for Savita.

Prepare Profit and Loss Appropriation Account

- Q17. Kishor and Kiran were partners in a joint venture sharing profits and losses in the ratio of 6:4. Kishor Supplied goods of the value of 24,000 and incurred an expenditure of Rs. 800. Kiran purchased goods of the value of Rs. 20,000 and his expenses amount to Rs. 1,200. Kiran sold all the goods on behalf of the joint venture for a sum of Rs. 72,000. Kiran is entitled to a commission of 4% on sales and he settled his accounts by sending a bank draft to Kishor.

Required: (i) Journal entries in the books of Kiran

(8)

- Q18. What journal entries will be recorded for the following transactions on the dissolution of the firm?

- (i) Payment of unrecorded liabilities Rs. 2,000.
 (ii) Stock worth Rs. 10,200 is taken by a partner Rohit.
 (iii) Realization expenses amounting to Rs. 1,200 paid by Rajan, one of the partners.
 (iv) Profit on realization amounting to Rs. 9,000 is to be distributed between X and Y in the ratio of 2:1.
 (2 + 2 + 2 + 2)

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

- Q19. Rekha and Bindu are partners in a firm. They share profits and losses in the ratio of 5:3. Their Balance Sheet as on 31st Chaitra, 2077 was as follows:

Capital and Liabilities	Rs.	Assets	Rs.
Creditors	30,000	Cash	1,000
Reserve Fund	16,000	Stock	9,000
Capitals:		Sundry Debtors	15,000
Rekha	31,000	Furniture	20,000
Bindu	18,000	Land & Building	50,000
	95,000		95,000

They admitted Pratima as a new partner on 1st Baisakh, 2078. Pratima brings in Rs. 15,000 for capital and Rs. 8,000 for her share of goodwill. She will get 1/5th share in future profits of the firm. Assets and liabilities were revalued as under:

Land and Building was made at Rs. 60,000.

Furniture is to be depreciated by 10%.

Provision for doubtful debt was made at 8% on sundry debtors.

Creditors were valued at Rs. 28,000.

Required: (i) Revaluation Account (4)

(ii) Capital Accounts of Partners (3+3+1)

(iii) New Balance Sheet (5)

Q20. Nabin of Nepalgunj consigned 1,000 bicycles to Sabin of Surkhet at Rs. 150 each. Nabin paid freight Rs. 10,000 and insurance Rs. 1,500 for sending goods. During the transit 100 bicycles were totally damaged by accident. Sabin took delivery of the remaining bicycles and paid Rs. 14,400 unloading charges.

Sabin had sent a bank draft to Nabin for Rs. 50,000 as advance payment and later sent an account sales showing that 800 bicycles were sold at Rs. 220 each. Expenses incurred by Sabin on godown rent and advertisement amounted to Rs. 2,000. Sabin is entitled to commission of 5%. Assume nothing has been received from Insurance Company due to defect in a policy.

Required:

- (i) Journal entries in the books of consignor (9)
- (ii) Consignment Account (5)
- (iii) Consignee Account (2)

Q21. What do you mean by dissolution of firm? In what circumstances can a firm be dissolved? And also distinguish between dissolution of partnership and partnership firm. (2 + 8 + 6)



MID-WEST UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
CHANCE EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Introduction to Auditing
Full Marks: 100 Pass Marks: 50

Course Code: ACC 486
Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X2 = 20 MARKS)

Answer **ALL** the questions.

- Q1. List out any two points of difference between auditing and investigation.
- Q2. Write short note on Nepal Standards on Auditing.
- Q3. Mention any two benefits of Audit Programmer.
- Q4. What do you mean by test checking?
- Q5. What is verification? Define with an example.
- Q6. Write the meaning of audit report.
- Q7. State the meaning of error and fraud.
- Q8. What is signing on audit report?
- Q9. Mentions any two roles of Auditor General in government audit.
- Q10. List out the types of audit report.

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

- Q11. Define audit and discuss its evolution of auditing practice in Nepal. [2+6]
- Q12. Describe the objective of auditing. [8]
- Q13. What is audit sampling? Describe any four types of audit sampling techniques [2+6]
- Q14. Define audit note book? List out any six objectives of audit notebook. [2+6]
- Q15. "Vouching is the backbone of auditing ". Explain the statement with regard objectives of vouching. [2+6]
- Q16. Define the contents of audit report in details. [8]
- Q17. Write short notes (any two): [4+4]
 - a. Management audit.
 - b. Cost audit.
 - c. Audit engagement letter
- Q18. Explain the features and basic principles of government audit. [6+2]

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

- Q19. How is audit distinguished from accountancy? Briefly describe the nature and scope of auditing. [6+5+5]
- Q20. What activities should be done while auditing of co-operative organization? Explain in details. [16]
- Q21. Explain the main activities to be followed while investigating on behalf of an incoming partner and a prospective shareholder. [10+6]

THE END

MID-WEST UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
CHANCE EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Corporate Finance

Course Code: FIN 485

Full Marks: 100 Pass Marks: 50

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X2 = 20 MARKS)

Answer **ALL** the questions.

- Q1. How could you manage the agency problem?
- Q2. What do you mean by exchange rate?
- Q3. What are the markets for common stock?
- Q4. Hulash Company plans to raise additional funds Rs 50 million through right offerings. New market price of the company's stock is Rs 200. It has 250,000 shares outstanding. Stockholders are offered at Rs 100 each.
- Required:**
- a. How many new shares will have to be sold to raise required capital?
- b. How many rights will be required to purchase a new share?
- Q5. Sunrise Bank Ltd. earned Rs 30,00,000 as net profit and paid Rs 100,000 as dividend to its 500,000 shares. Calculate the dividend per share and dividend payout ratio.
- Q6. Why is preferred stock called hybrid stock?
- Q7. Tamakoshi Company issue 200,000 share at Rs 100 each. What would be the no of share and par value after 25% stock dividend?
- Q8. List out the features of bond.
- Q9. What is book value?
- Q10. Differentiate between spot rate and forward rate.

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

- Q11. Differentiate between domestic and multinational financial management. [8]
- Q12. The Kathmandu Corporation expects next year net income to be Rs50 million. The debt ratio is currently 40%. The Corporation has Rs 20 million of profitable investment opportunities and it wishes to maintain its existing debt ratio. According to the residual dividend model, how large should Kathmandu Corporation dividend payout ratio be next year? [8]
- Q13. Explain the general rights of stockholder. [8]
- Q14. The stock of Jhapa Electronic Company is selling for Rs180 per share. The company issues right to subscribe for additional share of stock at Rs140 a share for each three held. Compute the theoretical value of :
- a. A right when the stock is selling right –on. [3]
- b. One share of stock when it goes ex- right. [3]
- c. A right when it goes ex- rights and the actual market price goes to Rs 172 per share. [2]
- Q15. Explain the procedures of dividend payment. [8]
- Q16. Discuss the major responsibility of financial manager. [8]
- Q17. How does common stock financing differ from debt financing? Explain. [8]

Q18. On March 17, 2013, the X-rate for buying one unit of SGD was NR69.13. On April 4, 2013 it went to NR69.27.

- a. Which currency was appreciated on April 4, 2013? [3]
- b. Which currency was depreciated on April4, 2013? [3]
- c. What is the appreciated and depreciated percent? [2]

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

Q19. A Company is trying to decide between leasing and buying a new equipment. The company can lease the equipment for five years, making annual payment of Rs 10,378 per year or they can buy the equipment for Rs 40,000. At the end of the fifth year, the equipment will have salvage value of Rs 4,000. The firm's cost of capital is 10% with a before tax cost of debt is 8%. The company uses straight line depreciation and has a 30% tax rate. Analyze whether the company should lease or buy the equipment. [16]

Q20. Stander Tea Company plans to raise an additional rupee of 5 million through right offering. Current market price of the share is Rs 300. It has 100,000 shares outstanding. Stockholders are offered a new share at a price of Rs 200 each. Prepare statement showing Mr. Hamal's total assets after right offerings for each of these course of action if Mr. Hamal holds 100 share,

- a. He sells all his rights. [4]
- b. He exercises all his rights. [4]
- c. He sells 60 rights and exercises 40 rights. [4]
- d. He neither exercises nor sells the rights. [4]

Q21. What is agency relationship? Explain the potential conflict of interest between shareholders and managers. [4+12]

THE END

MID-WEST UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
CHANCE EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Banking and Insurance
Full Marks: 100 Pass Marks

Course Code: FIN 486
Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)

Answer **ALL** the questions.

- Q1. Mention any two features of bank.
- Q2. Write the short meaning of BASEL- II.
- Q3. List out any two differences between debit card and credit card.
- Q4. What does Banc assurance means?
- Q5. Give the short meaning of fire insurance.
- Q6. State the short meaning of electronic fund transfer.
- Q7. Define reinsurance in short.
- Q8. Mention the meaning of utmost good faith.
- Q9. Give the short meaning of KYC Norms
- Q10. What does merger mean?

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

- Q11. What is retail banking? Explain the retail products offered by bank. [2+6]
- Q12. Give the meaning of life insurance. Describe the features of life insurance. [4+4]
- Q13. Mention the meaning of risk management. Explain the techniques of risk management. [4+4]
- Q14. Explain the roles of National Insurance Board. [8]
- Q15. Describe the process of risk management. [8]
- Q16. Is it necessary to every bank to manage liquidity? Why? Give your opinion. [4+4]
- Q17. What is claim management? What are the processes of claim management? [2+6]
- Q18. State the meaning of micro finance. Explain the various credit facilities provided by bank. [4+4]

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

- Q19. What is bank? Explain the roles and functions of bank? And also describe the principles of lending. [4+6+6]
- Q20. State the meaning of insurance. Explain the types and principles of insurance. [4+12]
- Q21. Define CRM. Describe the principles and strategies of CRM. [4+12]

THE END

MID-WEST UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
CHANCE EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Strategic Management
Full Marks: 100 Pass Marks: 50

Course Code: MGMT 482
Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)

Answer **ALL** the questions.

- Q1. State the meaning of retrenchment strategy.
- Q2. Write any two points of importance of strategic management.
- Q3. What do you mean by unique resources?
- Q4. Make a list of level of strategy.
- Q5. Define the term 'strategic advantage'.
- Q6. Give the concept of cost leadership strategy.
- Q7. State the meaning of strategic alliance.
- Q8. Why is strategy important? Write.
- Q9. State the concept of benchmarking.
- Q10. Under what condition, do organizations adopt the stability strategy?

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

- Q11. Give the meaning of strategic decisions and explain the characteristics of strategic decisions. [2+6]
- Q12. What do you mean by environmental scanning? What steps are to be followed in environmental scanning process? Explain. [2+6]
- Q13. Write the short notes on available resources and threshold resources. [4+4]
- Q14. Mention the meaning of diversification strategy and explain its types. [8]
- Q15. What is comparative analysis? Explain, in brief the techniques of comparative analysis. [2+6]
- Q16. Briefly explain the porter's competitive strategies. [8]
- Q17. What do you mean by strategic control? Explain the types of strategic control. [2+6]
- Q18. Write short notes (any two): [4+4]
 - a. Product development
 - b. Value Chain analysis
 - c. Core Competencies

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

- Q19. What is strategic management? Describe the process of strategic management. [4+12]
- Q20. What do you meant by business environment? Why is it important for manager to understand environmental forces? Explain the different components of internal and external business environment. [2+2+6+6]
- Q21. a. What do you mean by PESTEL analysis? Explain. [8]
b. Write the short notes on growth strategy and combination strategy. [4+4]

THE END

MID-WEST UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
CHANCE EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Advertising Management
Full Marks: 100 Pass Marks: 50

Course Code: MKT 485
Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)

Answer **ALL** the questions.

- Q1. List out the importance of advertising.
- Q2. Define the meaning of push and pull strategy.
- Q3. Clarify the meaning of promotion mix.
- Q4. What is slogan? Explain with suitable examples.
- Q5. What are the requisites of good advertisement copy?
- Q6. Write the strength of electronic media.
- Q7. Define the meaning of visualization.
- Q8. List out the different types of advertising layout.
- Q9. Write the meaning of advertisement effectiveness testing.
- Q10. What do you mean by in-house advertising agency?

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

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|--|--------|
| Q11. What is advertising? Briefly explain its types. | [2+6] |
| Q12. What are the characteristics and major components of advertising copy? Explain. | [4+4] |
| Q13. Define the meaning of typography and explain its importance in advertising. | [2+6] |
| Q14. Discuss the concept and process of media planning. | [2+6] |
| Q15. What factors should be considered in the selection of an advertising agency? Explain. | [8] |
| Q16. Explain the merits and demerits of outdoor media. | [4 +4] |
| Q17. What are the advertising budget procedures? Briefly explain. | [2+6] |
| Q18. Write short notes on: | [4+4] |
| a. Sales promotion | |
| b. Internet advertising | |

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

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|--|---------|
| Q19. What is marketing communication? Explain its importance. What process would you follow in developing effective communication? Discuss. | [4+6+6] |
| Q20. Define advertisement copy. Explain the various types of advertisement copy. | [4+12] |
| Q21. Clarify the advertisement budget. What are the various methods of determining advertisement budget? Discuss the factors affecting the size of the advertisement budget. | [4+6+6] |

THE ENDP

MID-WEST UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
CHANCE EXAMINATION: 2078
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Retail Management

Course Code: MKT 486

Full Marks: 100 Pass Marks: 50

Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X 2 = 20 MARKS)

Answer **ALL** the questions.

- Q1. Write any two points of importance for good retail store location.
- Q2. Define supermarket.
- Q3. Point out the competitive forces in retailing.
- Q4. Give any four examples of social media.
- Q5. Which colours are not preferred in retail store decoration?
- Q6. Define fad merchandise.
- Q7. List out the features of advertising.
- Q8. Define visual mass media with two examples.
- Q9. What do you mean by direct marketing?
- Q10. Write the similarities between warehouse club and independent off price retailer.

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

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|--|-------|
| Q11. Describe the technological forces of retailing. | [8] |
| Q12. State the types of location site for retailing and describe anyone of them. | [3+5] |
| Q13. Describe the types of visual merchandising. | [8] |
| Q14. A car company is thinking to launch an average new model car in Surkhet district, which location do you suggest for its outlet and why? | [8] |
| Q15. Write the various strategies for visual communications. | [8] |
| Q16. Explain the types of brands. | [8] |
| Q17. List out the types of retail store and explain any two of them. | [2+6] |
| Q18. Write the importance of credit management. | [2+6] |

SECTION C: LONG ANSWER QUESTIONS (16 X 2 = 32 MARKS)

Answer any **TWO** questions.

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|--|--------|
| Q19. What do you mean by good quality management? Describe GAP Model theory. | [8+8] |
| Q20. State and explain the factors affecting the demand for a trade area. | [3+13] |
| Q21. Define pricing and explain the methods of pricing. | [2+14] |

THE END