

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Bachelor of Business Studies (BBS)  
Semester - III

Subject: Company Account

Course Code: MGMT 331

Full Marks: 60 Pass Marks: 30

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 1 = 10 MARKS)**

Answer **ALL** the questions.

1. Mention any four characteristics of a public limited company.
2. Write, in brief, the meaning of convertible debentures.
3. M Company provides the following amounts in the various statements included in 2020 annual report.
  - Retained earnings on 1<sup>st</sup> January 2020.....Rs 2,00,000
  - Net income on 31<sup>st</sup> December 2020.....Rs.3,50,000
  - Dividend paid in 2020 .....Rs 80,000

**Required:** Statement of retained earnings

4. What is amalgamation?
5. Mention any three reasons for the liquidation of the company.
6. Write any four advantages of Holding Company.
7. The provision for tax for last year and this year was Rs. 8,000 and Rs. 10,000 respectively. The provision made during the year was Rs.8,000.

**Required:** Tax paid for the year

8. Make a list of items related to financing activities.
9. Write about the methods of purchase consideration.
10. Find out net the cash flow from investing activities from the following information:
  - Purchase of machinery                      Rs. 70,000
  - Sale of investment                              Rs. 40,000
  - Purchase of building                              Rs. 4,00,000

**SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)**

Answer any **THREE** questions.

11. What are the main documents of Joint Stock Company? Explain. [8]
12. X Company Ltd. issued 20,000 shares of Rs. 100 each at 10% premium, payable as follows:  
On application Rs. 30, on allotment Rs. 50 (including premium) and Rs. 30 on the first and final call.  
The applications were received for 36,000 shares. Among them the applications for 8,000 shares were allotted fully, 10,000 shares were rejected and the rest applications were allotted on pro-rata basis. Excess application money was utilized towards the allotment money. 1,000 shares which were allotted on pro-rata basis failed to pay first and final call money, hence their shares were forfeited.  
**Required:** Journal entries for: a) application    b) allotment    c) first and final call    d) forfeiture [4x2]
13. a) Himal Company Ltd. issued 5,000, 8% debenture of Rs. 1,000 each at 10% premium and redeemable at 15% premium after 12 years.  
**Required:** Journal entries for issue and redemption of debenture. [2+2]  
b) Write down the meaning of financial statement with its features. [4]

14. The balance sheet of a company is as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity share of Rs. 100 each, Rs.75 called up	3,00,000	Land and building	2,00,000
12% preference shares of Rs. 50 each fully paid	1,00,000	Plant and machinery	2,40,000
8% Debentures mortgaged on plant and machinery	2,00,000	Inventory	1,90,000
Account receivable	1,50,000	Account receivable	62,000
Outstanding preference dividend	12,000	Cash	20,000
		Profit and loss account	50,000
<b>Total</b>	<b>7,62,000</b>	<b>Total</b>	<b>7,62,000</b>

The company went into voluntary liquidation. The assets except the cash realized Rs. 4,50,000 including Rs. 1,80,000 on sale of the mortgage plant and machinery. The liquidator was entitled to a remuneration of 4% on the value of the amount realized. The liquidation expenses of Rs.12,000 were incurred.

**Required:** Liquidator's statement of account

[8]

15. The followings are the income statement and balance sheet at the end of 2075:

**Income Statement**

Particulars	Amount (Rs.)	Amount (Rs.)
Sales		4,50,000
Less: Cost of goods sold.....		<u>2,00,000</u>
Gross profit.....		2,50,000
Less: Salary.....	60,000	
Rent .....	30,000	
Operating expenses.....	20,000	
Interest on debenture.....	10,000	
Depreciation.....	30,000	
Loss on sales of plant (book value Rs. 20,000)	5,000	1,55,000
<b>Net profit</b>		<b>95,000</b>

**Balance sheet**

Liabilities	2074	2075	Assets	2074	2075
Share capital	2,00,000	3,00,000	Plant	2,00,000	2,50,000
Retained earning	40,000	50,000	Investment	1,00,000	1,00,000
10% Debentures	1,00,000	50,000	Debtors	40,000	50,000
Creditors	20,000	30,000	Stock	30,000	25,000
Bank overdraft	40,000	20,000	Cash	30,000	25,000
	<b>4,00,000</b>	<b>4,50,000</b>		<b>4,00,000</b>	<b>4,50,000</b>

**Required:** Cash flow statement showing cash from operating, investing, and financial activities.

[3+2+2+1]

**SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)**

Answer any **TWO** questions.

16. What do you mean by holding company? Explain, briefly, the considerations to be taken into account while preparing a consolidated balance sheet.

[5+8]

17. The business of A Company Ltd. is absorbed by B Company Ltd. The terms of absorption are as follow:

- i) The holders of 10% preference shares will be allotted four, 12% preference shares of Rs. 100 each for every five preference shares held in A Co. Ltd.
- ii) The 10% debentures will be paid off by the issue of equal number of 12% debentures of Rs. 100 each in B Co. Ltd. at a discount of 10%.
- iii) The equity shareholders will be allotted 6 shares of Rs. 100 each for every 5 shares held by them at a premium of Rs.20.

The balance sheet of A Co. Ltd. at the date of absorption is as under:

Liabilities	Rs.	Assets	Rs.
7,000 Equity shares of Rs. 100 each	7,00,000	Goodwill	50,000
10% Preference share of Rs. 100 each	4,00,000	Plant and machinery	11,00,000
10% Debentures of Rs. 100 each	3,00,000	Stock	1,00,000
Sundry creditors	1,50,000	Sundry debtors	70,000
		Cash at bank	50,000
		Discount on issue of shares	10,000
		Profit and loss account	1,70,000
<b>Total</b>	<b>15,50,000</b>	<b>Total</b>	<b>15,50,000</b>

**Required:** a) Purchase consideration b) Entries to close the books of A Co. Ltd.  
c) Realization account.

[3+7+3]

18. The trial balance of a company as on 31<sup>st</sup> Chaitra is given below:

Particulars	Rs.	Particulars	Rs.
Beginning stock	30,000	Share capital	5,00,000
Rent and rates	30,000	10% Debentures	1,00,000
Purchases	2,90,000	Sales	8,00,000
Wages	1,00,000	Purchase return	10,000
Carriage	25,000	Outstanding salaries	20,000
Salaries	1,00,000	Creditors	70,000
Sundry debtors	1,50,000	Provision for bad debt	5,000
Plant and machinery	2,50,000	Profit and loss account	25,000
Land and building	4,50,000		
Interest on debenture	10,000		
Prepaid insurance	5,000		
Cash and bank	50,000		
General expenses	40,000		
	<b>15,30,000</b>		<b>15,30,000</b>

**Additional information:**

- i. Ending balance of stock Rs. 30,000.
- ii. Depreciate plant and machinery by 10%.
- iii. Provision for bad debt to be increased up to Rs. 5250.
- iv. Provision made for income tax Rs. 25,000.
- v. Proposed dividend at 10% on share capital.
- vi. General reserve made for Rs. 20,000

**Required:** a) Income Statement b) Statement of retained earnings c) Balance sheet.

[5+3+5]

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Bachelor of Business Studies (BBS)  
Semester - III

Subject: Co-operative Management  
Full Marks: 60 Pass Marks: 30

Course Code: MGMT 332  
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 1 = 10 MARKS)**

*Answer ALL the questions.*

1. "Co-operative organization used to establish and run under the democratic principle". Comment.
2. Point out any four power and functions of Chairman.
3. What is a reserve?
4. State the scope of co-operative accounting in short.
5. Describe the audit note in short.
6. List out any two duties of auditors regarding the reserve.
7. Write any two differences between co-operative accounting and double entry accounting system.
8. Define the term 'Guthi'.
9. Why is the cash flow statement prepared? Clarify in short.
10. What does PEARLS stand for?

**SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)**

*Answer any THREE questions.*

11. Clarify the development trend of micro-finance in Bangladesh. [8]
12. Highlight the origin and development of co-operative in Nepal. [8]
13. Describe the roles and responsibilities of the general body of co-operative organization. [8]
14. What is vouching? State and explain the various objectives of vouching. [3+5]
15. State and explain the principles of co-operative accounting in detail. [8]

**SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)**

*Answer any TWO questions.*

16. What is co-operative organization? Discuss the important features and principles of co-operative organization. [4+6+3]
17. Define co-operative auditing. Explain the rights and duties of an auditor while auditing the economic transaction of co-operative organization. [4+5+4]
18. Describe the major books and register maintained by the co-operative organization to record its transactions. [13]

**THE END**

Mid-West University  
**Examinations Management Office**  
 Surkhet, Nepal  
 Final Examination-2078  
 Bachelor of Business Studies (BBS)  
 Semester - III

Subject: Business Statistics-II  
 Full Marks: 60 Pass Marks: 30

Course Code: MGMT 333  
 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 1 = 10 MARKS)**

Answer **ALL** the questions.

- Define regression analysis.
- Given  $n = 8$ ,  $\sum Y = 40$ ,  $\sum Y^2 = 260$ ,  $\sum XY = 350$ ,  $a = 1.67$  and  $b = 0.916$ . Calculate the coefficient of determination and interpret your result.
- From the given payoff table, prepare regret table.

State of nature(Demand)	Strategy (Decision alternatives)		
	S <sub>1</sub>	S <sub>2</sub>	S <sub>3</sub>
A	4	-2	7
B	0	6	3
C	-5	9	2
D	3	1	4

- The year of origin of the following straight line equation of annual incomes lakh rupees in 2010.  
 $y = 15 + 3x$   
 Predict the income for the year 2016.
- Compute price index for the following by simple average of price relative by using both arithmetic and geometric means.

$\sum p_0 = 235$	$\sum p_1 = 265$	$\sum P = 688.57$	$\sum \log P = 12.349$
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- What is index number?
- Why is Fisher's index number known as an 'Ideal Index Number'?
- What do you mean by sampling?
- Define type I and type II error in hypothesis.
- What do you mean by transportation problem?

**SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)**

Answer any **THREE** questions.

- Followings are the payoff table of the rooms available in the hotel with different types of rooms.

Strategies (Room)	Demand		
	Low	Medium	High
R <sub>1</sub>	25	35	50
R <sub>2</sub>	10	40	70
R <sub>3</sub>	30	20	100

Indicate the decision taken under the following approach:

- Optimistic criterion
- Pessimistic criterion
- Minimax regret criterion

12. Actual development expenditure on agriculture on the agricultural sector in Nepalese 7<sup>th</sup> Development plan is as follows:

Expenditure in agricultural sector

Year	Rs. in millions
1985 – 86	2100
1986 – 87	2000
1987 – 88	2300
1988 – 89	3300
1989 – 90	3000

Find the equation of the line of best fit and estimate the expected expenditure in agricultural sector for the year 1990– 91.

13. A textile worker in the city of Kathmandu earns Rs. 750 per month. The cost of living index for January 2009 is given as 160. Using the following data, find out the amount he spends on (i) Food and (ii) Rent.

Group	Expenditure(Rs.)	Group Index
Food	?	190
Clothing	125	181
Rent	?	140
Fuel & Lighting	100	118
Miscellaneous	75	101

14. The average height of 40 players who play basketball is 65 inches with a standard deviation of 2 inches and another set of 40 players who do not play basketball is 64 inches with a standard deviation of 2.3 inches. Test the hypothesis that the players who play basketball have taller height.
15. Find the optimal transportation cost on the basis of following information by using:
- North West Corner Method
  - Least Cost Method

Factory	Stores				Availability
	S <sub>1</sub>	S <sub>2</sub>	S <sub>3</sub>	S <sub>4</sub>	
F <sub>1</sub>	9	7	10	8	14
F <sub>2</sub>	8	11	9	11	27
F <sub>3</sub>	13	10	12	10	14
Requirement	15	19	11	10	55

### SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)

Answer any **TWO** questions.

16. In a market survey, a researcher obtained the following data on quantity demanded and price.

Quantity demanded	80	75	100	50	70	65	90	100	110	60
Price	6	7	5	8	6	7	5	4	3	9

- Fit the linear demand function.
  - Estimate the SST, SSR and SSE
  - Calculate the coefficient of determination.
17. A fruit seller estimates the probability of the demand for oranges in dozen as follows:

Demand of oranges (dozen)	1	2	3	4
Probability	0.1	0.3	0.4	0.2

Fruit seller purchase oranges for Rs. 3 per dozen and sells them for Rs 5 per dozen.  
Find

- i) The optimal quantity that would maximizes the expected profit.
- ii) The expected profit with perfect information.
- iii) The expected value of perfect information.

18. Why is Fisher's index number also called ideal index number. Using the following data, show that Fisher's index number is an ideal index number.

Commodity	Base Year		Current Year	
	Price per unit	Expenditure (Rs)	Price per unit	Expenditure (Rs)
A	2	40	5	75
B	4	16	8	40
C	1	10	2	24
D	5	25	10	60

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Bachelor of Business Studies (BBS)  
Semester - III

Subject: Risk and Disaster Management  
Full Marks: 60 Pass Marks: 30

Course Code: MGMT 334  
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 1 = 10 MARKS)**

Answer **ALL** the questions.

1. Define risk management.
2. What is simulation test?
3. Define project risk.
4. Write the meaning of strategic risk management.
5. What do you mean by speculative risk?
6. Write any four examples of man-made disasters.
7. What is the meaning of Crime?
8. Write the name of any four organizations that work for disaster relief management.
9. What is degree of risk?
10. What is risk avoidance?

**SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)**

Answer any **THREE** questions.

11. What is disaster? Explain the roles of technology for disaster management. [2+6]
12. Explain the types of personal risk. [8]
13. Explain any two of the followings: [2×4=8]
  - a. Derivatives
  - b. Uncertainty analysis
  - c. Non-insurance transfer
14. ABC Co. manufactures and sales a single product which has a variable cost Rs.10 and fixed cost Rs 1,25,000. The company management is having a price review and has reduced the choice to price of either Rs.14 or Rs.15 per value. The company's sale at each price has been estimated as probability distribution as follows:

<b>At Rs.16 per unit</b>		<b>At Rs.17 per unit</b>	
Sales unit	prob	Sales unit	prob
40,000	0.2	50,000	0.1
35,000	0.1	30,000	0.4
50,000	0.3	25,000	0.2
45,000	0.2	45,000	0.1
60,000	0.2	35,000	0.2

On the basis of expected profit, which sales price should be selected? [8]
15. Differentiate between forward and future contracts. [8]



**SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)**

Answer any **TWO** questions.

16. If your friend has recently suffered from disaster, what suggestions would you provide to him/her for coping with stress, anxiety and fear? What are the functions and duties of the local natural disaster relief committee? [6+7]
17. What is credit risk? Explain the types of credit risk. If you are a finance manager of an organization, what methods would you use for credit risk management? Explain. [3+5+5]
18. What is risk management? Explain the process of risk management. [3+10]

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Bachelor of Business Studies (BBS)  
Semester - III

Subject: E-Commerce

Course Code: MGMT 335

Full Marks: 60 Pass Marks: 30

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 1 = 10 MARKS)**

*Answer ALL the questions.*

1. Write any two differences between B2B and B2C.
2. What is e-distributor?
3. Write about virtual community.
4. What do you mean by just in time delivery?
5. Write any two effects of computer virus on websites or e-commerce business
6. What is a web auction?
7. What is e-cheque?
8. Write any two advantages of e-finance.
9. What is digital marketing?
10. List out any four benefits of e-banking.

**SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)**

*Answer any THREE questions.*

11. Write a short note on development of e-commerce in Nepal. [8]
12. Enumerate the types of e-commerce with appropriate examples. [8]
13. What is a web portal? What are the different activities that we can go through? [3+5]
14. What is debit card? Explain the advantages of debit card in e-business. [2+6]
15. What do you mean by micro payment system? Explain. [2+6]

**SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)**

*Answer any TWO questions.*

16. What is digital economy and digital ticketing? Explain the advantages of digital ticketing. [3+4+6]
17. Write about the background of e-commerce. Describe the current practices as well as future of e-commerce in Nepal. [4+4+5]
18. a. Mention the role of internet in e-commerce. [5]  
b. Explain, in detail ethical, legal and social concern of e-commerce. [8]

**THE END**