

MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATION: 2075
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Business Accounting
Full Marks: 100

Course Code: ACC 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** questions.

- Q1. List out any four factors which affect the valuation of goodwill.
- Q2. Write any two difference between fixed capital and fluctuating capital
- Q3. Mention main rights acquired by a new partner in the firm.
- Q4. What do you mean by retirement of partner?
- Q5. What is Partnership Business?
- Q6. What is average profit?
- Q7. Introduce dissolution of partnership firm in brief.
- Q8. Goods consigned 200 units @ Rs.50 each. Fright and insurance paid by consignor Rs.2,100 and Rs.500 respectively. Consignee sold 190 units @ Rs.90 each and incurred Rs.1,500 as unloading expenses and Rs.3000 selling expenses. Normal loss is 2 units. Find out the value of closing stock.
- Q9. Write any two features of installment system.
- Q10. List out methods of evaluating goodwill.

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

Answer any **SIX** questions.

- Q11. What is hire purchase system? Write the features of hire purchase system. (3+5)
- Q12. Which matters are adjustment at the time of death of partner? Explain. (8)
- Q13. The following particulars are available in respect of the business carried on by a trader:
- (i) Net profit for the past 3 years are Rs. 100,000; Rs. 120,000; Rs. 110,000.
- (ii) Normal rate of profit 10% and capital employed Rs. 600,000.
- (iii) Present value of an annuity of one rupee for five years at 10% Rs. 3.791.
- (iv) The profits included non-recurring profits on an average basis of Rs. 8,000 out of which it was decided that even non-recurring profits had a tendency of appearing at the rate of Rs. 2,000 per annum.
- Required:** The value of goodwill as per:
- a) Five years purchase of super profit (6)
- b) Capitalization of super profit method. (2)
- Q14. A and B are partners sharing profits and losses in the ratio of 2:3. They admit C giving him 1/5 th share of profit. They agree to sacrifice in 3:2. There is goodwill of Rs.15,000 already appearing in the book. On admission of C as a partner, the goodwill of the firm is valued at Rs. 25,000. C brings in the necessary amount of his share of goodwill and Rs. 50,000 as his capital.
- Required:** Journal entries in cash of the following cases: (8)
- They decide to retain the goodwill brought by C in the business.
- They decide to withdraw the goodwill brought by C.
- They decided to show the original value of goodwill in the books.
- They decided to show Rs. 20,000 as goodwill in the books.
- Q15. Bishnu and Laxmi started a business on 1st Baisakh 2072, contributing Rs. 100,000 by Bishnu and Rs. 50,000 by Laxmi on 1st kartik, Laxmi made a further contribution of Rs. 50,000 towards his capital. The profit sharing ratio is 1:1. Drawing on 1st magh by Bishnu Rs. 10,000 and Rs. 8000 by Laxmi Interest on capital is to be allowed at 3 % per annum and 6 % per annum interest is charged on drawing. Bishnu is to be allowed a salary of Rs. 1000 per month. The profit for the year comes to Rs. 58,000 before charging salary, interest on capital and interest on drawings.
- Required:** a. Partners capital accounts under fixed capital method (4)
- b. Partner's capital accounts under fluctuating capital method (4)
- Q16. A partnership company with A, B and C as partner sharing profit and loss in the ratio of 2:2:1 decided to value it's goodwill of the business at Rs 30000 on the date of retirement of C.

Required:

- a. Entries when company decided to rise goodwill. (8)
- b. Entries when company decided to rise and write off the goodwill form the capital of the remaining partners.

c. Entries when company decided to credit outgoing Partners capital and written off in the retirement Partners capital account.

Q17. The Madras Transport Company Purchase motor car from the Bombay Motor Co. on a hire Purchase agreement on 1st January 20X1 paying cash Rs. 10,000, and agreeing to pay further three instalments of Rs. 10,000 each on 31st December each year. The cash price of the car is Rs. 37,250 and the Bombay Motor Company charges interest at 5% p.a. The Madras Transport Company writes off 10% p.a. as depreciation on the reducing instalment system.

Required: Analytical table and depreciation value

(6+2)

Q18. A, B and C are partners sharing profits and losses as to 2:2:1 The balance sheet on 31st December , 2017 is as follows :

Capital and Liabilities	Rs	Assets	Rs
Capital		Fixed asset	50,000
A	50,000	Debtor	13,000
B	20,000	Less: Provision for bad debts	3,000
C	10,000	Inventory	20,000
Creditors	20,000	Cash at bank	20,000
	100,000		100,000

The firm was dissolved on that date. The assets were realized as follows. Fixed assets Rs 45,000, Debtors Rs 9,000, Inventory Rs 22,600.

Creditors were settled in Rs 19,000

Realization expenses amounted to Rs 600

Required: Necessary journal entries

(8)

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

Answer any **TWO** questions.

Q19. What is Joint venture? Write differences between joint venture and consignment and also explain the method of accounting on joint venture.

(2+8+6)

Q20. A, B and C are partners sharing profits and losses in the ratio of 2:2:1. the balance sheet on 31st Chaitra 2074 is as follows:

Liabilities	Rs.	Assets	Rs.
Capital account :		Furniture	100,000
A	100,000	inventory	40,000
B	40,000	Bills receivable	27,000
C	20,000	Loss: Reserve for bad debts	<u>7,000</u>
Bills payable	50,000	Cash at bank	50,000
	210,000		210,000

They decide to dissolve the business on that date. The Following are the amount realized:

Furniture	Rs. 85,000	Inventory	Rs. 49,200
Bills receivable	Rs. 18,800	Bills payable paid on fully discharge	Rs. 48,000
Realization expenses	Rs. 1,000		

Required:

(8+4+2+2)

a. Journal entries

b. Realization account

c. Partner's Capital account

d. Bank account

Q21. B of Butwal was appointed an agent by K of Kathmandu. You are given the following information relating to an accounting period:

- Cost of goods sent by K on consignment Rs. 100,000 but the goods were charged at the proforma invoice price, So as to show lading 20% on invoice price.
- Expenses incurred by K: freight and insurance Rs. 10,000.
- 10% of the consigned goods destroyed in transit. Insurance compensation received by K towards destroyed in transit was Rs. 7,000.
- Expenses incurred by B: Godown rent Rs. 500, Advertising Rs. 200, and Carriage outward Rs. 1,800.
- 50% of the goods received by B has been sold at a margin of $33\frac{1}{3}$ % on invoice price. The agent is entitled to a commission 10% on sales.
- 20% of Remaining goods destroyed in godown and nothing was realized form insurance company.

Required:

a. Journal entries in the books of K

(8)

b. K's account in the books of B.

(8)

MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATION: 2075
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Introduction to Auditing
Full Marks: 100

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 X 2 = 20 MARKS)

Answer **ALL** questions.

- Q1. What are the advantages of auditing?
- Q2. Mention the principles governing of audit.
- Q3. Explain the essentials of good working paper.
- Q4. Define audit evidence.
- Q5. What do you mean by interim audit?
- Q6. Write the full form of NFRS.
- Q7. Write the meaning of verification.
- Q8. Mention the consideration for cost audit.
- Q9. Differentiate between auditing and accounting.
- Q10. State the considerations for audit of preliminary expenses.

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

Answer any **SIX** questions.

- Q11. What do you mean by auditing? Explain objectives of auditing. 4+4
- Q12. What do you mean by audit program? Explain its advantages and disadvantages. 4+4
- Q13. What do you mean by audit report? Explain the contents of audit report. 4+4
- Q14. What do you mean by outstanding liabilities? What are its types? Explain the process of vouching of outstanding liabilities. 3+2+3
- Q15. Define co-operative audit? What things should be considered for the audit of cooperative? 4+4
- Q16. What is company audit? Discuss the preliminaries to be prepared before the actual audit begins company audit. 4+4
- Q17. Write the meaning of audit of statutory meeting. Mention the considerations for audit of statutory meeting. 4+4
- Q18. Write short notes on (Any two) 4+4
 - a) Management letter
 - b) Audit working paper
 - c) Audit sampling

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

Answer any **TWO** questions.

- Q19. a) What do you mean by school audit? What things should be considered for the audit of school? 4+4
- b) Explain the Professional Code of Conduct of auditor 8
- Q20. "Detection and prevention of frauds and errors is the main objective of auditing". Justify this statement. 16
- Q21. Discuss the concept of vouching. Explain and illustrate the procedures of vouching by taking any two items of balance sheet. 8 +8

MID-WESTERN UNIVERSITY
 FACULTY OF MANAGEMENT
 FINAL EXAMINATION: 2075
 BACHELOR OF BUSINESS STUDIES (BBS)
 SEMESTER - VIII

Subject: Corporate Finance
 Full Marks: 100

Course Code: FIN 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 X2 = 20 MARKS)

Answer **ALL** questions.

- Q1. List out the managerial action to maximize the shareholder wealth.
- Q2. What are the two types of agency problem?
- Q3. What is corporate governance?
- Q4. After a 3 – for -1 stock split, the Rara tea company paid a dividend of Rs 6 per new share of Rara Inc., which represents 8% increase per last year’s pre-split dividend. What was last year's dividend?
- Q5. Gold company has 10 million shares outstanding and the firm's charter provides for a cumulative voting system. The company has 10 directors up for re-election. What is the minimum number of shares needed to be ensured the election of one director?
- Q6. Explain the meaning of cross exchange rate.
- Q7. A company might have rights of offering. Why?
- Q8. What do you mean by direct and indirect quotation?
- Q9. Rara Company borrows Rs. 100,000 at 12% and agrees to make equal annual payment at the end of each year over five years. Calculate the annual installment.
- Q10. List out the dividend payment scheme.

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

Answer any **SIX** questions.

- Q11. The Karnali Powerhouse Corporation has 2 million backlogged orders for its patented solar heating system. Management plans to expand production capacity by 30 % with Rs 6 million investments in plant and machinery. The firm want to maintain 45% debt to total assets ratio in its capital structure, it also wants to maintain its past dividend policy of distributing 20% of after tax earnings. In 2015 earnings were 2.6 million. How much external equity must the innng of firm seek at the beg 2015? (8)
- Q12. Magee Corporation declared a 10% stock dividend. Construct the Performa balance sheet showing the effect of this action. The stock was selling for Rs. 275 per share the balance sheet as on Dec 31, 2014 before the dividend follows. (8)

Assets	Amount	Debt and equity	Amount
Cash	112.5	Common stock (0.75 M share @Rs 100 each)	75
Other assets	287.5	Paid in capital	300
		Retained earning	1125
Total assets	3000	Total debt and equity	3000

- Q13. Assume that interest rate parity hold and that 90 day risk free rate security yield 5% in the United State and 5.3% in Britain. In spot market 1 pond equals to 1.65 dollars.
- a. Is the 90 days forward rate trading at a premium or discount relative to the spot rate? (4)
- b. What is the 90 day forward rate? (4)

- Q14. What is investment banking? Describe the financial services provided by investment banking. (3+5)
- Q15. How do you resolve the agency problem between shareholders versus manager? (8)
- Q16. Why preferred stock called hybrid security? (8)
- Q17. How domestic financial management differs from the multinational financial management? (8)
- Q18. Star company is proposing a right offering. Presently there are 240000 Share outstanding at Rs 80 each. There will be 60000 new share offered at Rs 60 each.
- What is the new market value of the company? (2)
 - How many rights are associated with one of new share? (2)
 - What is the value of right? (2)
 - What is the ex-right price? (2)

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

Answer any TWO questions.

- Q19. The Mountain Company seeks to acquire the use of rolling machine at the lowest possible cost. The choice is either to lease one at Rs 23500 annually or to purchase one for Rs 60000. The company cost of capital is 12% its cost of debt is 10% and its tax rate is 40% the machine has an economic life of 5 years and no salvage value. The company use straight line depreciation method. The discount rate applied after tax cost of debt. Which is the less costly method of financing? (16)
- Q20. What is meant by multinational corporations? Describe the reasons of multinational growth. (4+12)
- Q21. Write the meaning of long term sources of financing. Explain the relative advantage and disadvantages of long term sources of financing. (6+10)



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FINAL EXAMINATION: 2075
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Banking and Insurance
Full Marks: 100

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** questions.

- Q1. Define 'Debit card' in short.
- Q2. Give the meaning of pure risk in short.
- Q3. What is investment management?
- Q4. State the meaning of 'KYC norms.'
- Q5. What does principle 'insurable interest' means?
- Q6. Mention the meaning of 'Electronic fund transfer system.'
- Q7. List out the risk management process.
- Q8. Give the short meaning of 'BASEL NORMS.'
- Q9. Point out the principle of CRM.
- Q10. Define the meaning of fire insurance.

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

Answer any **SIX** questions.

- Q11. What is micro financing? Discuss the principles of lending. (2+6)
- Q12. Define customer relationship management. Explain the strategies of CRM. (2+6)
- Q13. Give the meaning of retail banking. Describe the different retail products offered by bank. (2+6)
- Q14. What is life insurance? Explain the principle of life insurance. (2+6)
- Q15. State the meaning of claim management. Describe the claim management settlement. (2+6)
- Q16. Briefly explain the various credit facilities offered by bank. (8)
- Q17. What is risk management? Explain the risk management techniques. (2+6)
- Q18. Explain the banking scenario in Nepal. Discuss about the role of bank. (8)

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

Answer any **TWO** questions.

- Q19. Define bank. Describe the types of bank. And also discuss about the regulatory provisions of center bank. (4+7+5)
- Q20. What is insurance? Explain the types of insurance. And also describe the role of beema samiti. (4+6+6)
- Q21. Give the meaning of liquidity management. How the bank should manage the liquidity crisis and why. (4+6+6)



MID-WESTERN UNIVERSITY
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FINAL EXAMINATION: 2075
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Strategic Management
Full Marks: 100

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** questions.

- Q1. State the meaning of strategy management.
- Q2. Write any two importance of strategic decision.
- Q3. What do you mean by stability strategy?
- Q4. Give the concept of unique resource.
- Q5. Write the meaning of product development.
- Q6. Give short note on retrenchment strategy.
- Q7. Mention the meaning of threshold resources.
- Q8. Make a list of strategic management process.
- Q9. State the meaning of benchmarking.
- Q10. Under what condition, organizations adopt the expansion strategy?

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

Answer any **SIX** questions.

- Q11. What do you mean by environmental scanning? Explain the process of environmental scanning. (2+6)
- Q12. Explain in brief, the importance of strategic management in globalized world. (8)
- Q13. Give the concept of strategic decisions and explain its characteristics. (2+6)
- Q14. Write the short notes on available resources and unique resources. (4+4)
- Q15. What is comparative analysis? Explain in brief about the technique of comparative analysis. (2+6)
- Q16. State the meaning of strategic control and explain its types. (2+6)
- Q17. Briefly, explain the industry analysis using porter's five forces model. (8)
- Q18. Write short notes on (**any two**): (4+4)
 - a. Market development
 - b. Core Competencies
 - c. PESTEL analysis

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

Answer any **TWO** questions.

- Q19. What do you mean by strategy? Briefly, explain the level of strategy? (4+12)
- Q20. Give the meaning of business environment and explain the different components of internal and external business environment. (4+6+6)
- Q21. a) What are the steps involved in operationalizing the strategy? Discuss. (8)
b) State the meaning of diversification strategy and explain its types. (2+6)



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FINAL EXAMINATION: 2075
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Advertising Management
Full Marks: 100

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** questions.

- Q1. What is advertising?
- Q2. What is integrated marketing communication?
- Q3. Write the concept of visual.
- Q4. What is layout?
- Q5. What is media?
- Q6. What do you mean by copy?
- Q7. Write the meaning of advertising budget.
- Q8. Give the concept of typograph.
- Q9. Write any two functions of advertisement.
- Q10. Define headline.

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

Answer any **SIX** questions.

- Q11. What do you mean by promotion mix tool? Enlist these tools and explain them. (2+6)
- Q12. Explain the scope and importance of advertisement. (8)
- Q13. Describe the basic elements of advertisement copy. (8)
- Q14. Highlight the vital role of media. (8)
- Q15. Explain the factors affecting media selection. (8)
- Q16. Discuss the process of advertising budget. (8)
- Q17. Define advertising agency. Explain the major functions of advertising agency. (8)
- Q18. Highlight the promotion mix strategy. (8)

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

Answer any **TWO** questions.

- Q19. Discuss the process of integrated marketing communication. (16)
- Q20. Discuss the different forms of advertising by producers, retailers, government and social aspect. (4+4+4+4)
- Q21. What do you mean by about heading and sub-heading? Explain the different types of media. (2+2+12)



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FINAL EXAMINATION: 2075
BACHELOR OF BUSINESS STUDIES (BBS)
SEMESTER - VIII

Subject: Retail Management
Full Marks: 100

Course Code: MKT 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** questions.

- Q1. List out any two importance of retailing?
- Q2. What do you mean by bulk breaking?
- Q3. Define themes festival.
- Q4. Point out technological forces in retailing.
- Q5. Give any two role of IT in supply chain management merchandise flow.
- Q6. Define customer value.
- Q7. What do you mean by bonded warehousing?
- Q8. Give two examples of color presentation in visual merchandising.
- Q9. Write four examples of sales promotion.
- Q10. What do you mean by fashion or specialty centers.

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

Answer any **SIX** questions.

- Q11. Describe the social forces for retailing. (8)
- Q12. Define pricing and Write the types of value oriented pricing method. (2+6)
- Q13. State some of the parameter to measure perceived service. (8)
- Q14. How do you estimate the demand for new location? (8)
- Q15. What do you mean by customer service and quality management. (3+5)
- Q16. Describe some of the ways of public relation to promote the product. (8)
- Q17. Define types of store design. (8)
- Q18. What are the factors affecting the demand for a region or trade area? (8)

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

Answer any **TWO** questions.

- Q19. What do you mean by Visual Merchandising? Describe types of Visual Merchandising. (4+12)
- Q20. Write the concept of retailing and various emerging concepts in retailing. (4+12)
- Q21. Define Atmospheric and describe the types of atmospheric. (3+13)

