

2017

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) Make a clear distinction between a farm and a firm. Explain the purpose of farm planning.
 - (b) What are the causes of uncertainty in farm planing ? Explain any two.

(Turn Over)

- (c) What is an isoquant? What are the different types of isoquants you are familiar with?
- (d) Explain the prime objective of soil management. Advocate some measures that should be adopted for the proper utilization of soil resources.
- (e) Explain the composition of farm labour. What do you mean by disguised unemployment?
- (f) Distinguish between fixed cost and running costs of agricultural production.
- (g) Explain the relationship between production and cost.
- (h) What are the impacts of green revolution in Indian agriculture?
2. Obtain the least cost combination of two factors of production labour (L) and capital (K) when a) the firm wants to maximise output subject to a cost constraint and (b) the firm wants to minimise cost subject to an output constraint. Give the economic implication of this condition. 6+6+3
3. Draw the total product curve and explain its shape. From this curve draw the average product and marginal product curves and establish the relationship between these two types of curves. 6+6+3

4. (a) Briefly explain the tenancy reforms in India.
b) What are the reasons for the poor performance of Land Reforms programme in India? 8+7
5. (a) Distinguish between marketable surplus and marketed surplus.
b) Explain how the marketable surplus related with the price of the crop. 5+10

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) Define Gross Value Added (GVA) and Economic Value Added (EVA)
- (b) Write the problems of historical method of accounting at the time of rise in price level.
- (c) Define Social Cost, Social Benefit and Social Profit.
- (d) Write the Matching Principle in accounting.

- (e) Is depreciation a charge against profit or an appropriation of profit?
- (f) What is Current Purchasing Power (CPP) accounting?
- (g) What are the specific objectives of Human Resource Accounting?
- (h) What is value added accounting?

Group—A

(Accounting Theory)

7. (a) Define Income and Expenditure.
 (b) Define Periodic Profit and Life time Profit.
 (c) Examine the role of asset valuation methods and capital maintenance methods in measurement of both Periodic Profit and Life time Profit. 3+4+8
8. Narrate the features of Indian Accounting Standard-2 on valuation of Inventories and Indian Accounting Standard-3 on preparation of cash flow statement. 8+7

Group—B

(Contemporary Issues in Accounting)

9. A firm purchases a new machine for Rs. 20,000 on 1.1.2011. Its expected life was estimated of 10 years with

no salvage value. A similar machine could be purchased at Rs. 60,000 on 1.1.2014 and Rs. 80,000 on 31.12.2014. Calculate Depreciation Adjustment and Backlog Depreciation in the year 2014. Also Calculate Holding Gain.

(b) Items	Opening (Rs.)	Closing (Rs.)
Debtors for goods sold	30,000	50,000
Creditors for materials		
Purchase	12,000	20,000
Index for material	110	120
Index for Finished Goods	120	130
Calculate monetary Working Capital Adjustment.		
		10+5

10. (a) Narrate the limitations of Human Resource Accounting.
- (b) You are given the categories of employees of different age groups and their annual salary structure per employee. Calculate the values of different categories of employees and the human resource value of the organisation using Lev and Schwartz model. Cost of capital of the organisation is 10% p.a. The discounted value of Re 1 at the end of 10th year is .38 and the

annuity value of Re.1 at 10% discount rate for 10 years is 6.09.

Table 1 : Categories of Employees

<i>Age Group (years)</i>	<i>Skilled</i>	<i>Unskilled</i>	<i>Professional</i>	<i>Total</i>
20-29	—	—	2	2
30-39	2	—	—	2
40-49	1	2	1	4
50-59	—	2	—	2
	3	4	3	10

Table 2 : Salary Structure of different categories of Employees

<i>Age Group (years)</i>	<i>Skilled (₹)</i>	<i>Unskilled (₹)</i>	<i>Professional (₹)</i>
20-29	3,50,000	2,40,000	4,00,000
30-39	5,00,000	3,60,000	5,50,000
40-49	6,00,000	4,80,000	7,00,000
50-59	6,50,000	5,00,000	7,50,000

3+12