**INDIAN SCHOOL AL WADI AL KABIR**

**DEPARTMENT OF COMMERCE**

**HOLIDAY HOMEWORK-XII**

1. **PROJECT WORK:**

**Project work in all the subjects i.e. Accountancy, Business studies and Entrepreneurship as per the instructions given by the teachers has to be completed as part of the Holiday homework. A rough draft of the project has to be submitted immediately on the reopening date.**

1. **PAPERS IN EACH SUBJECT TO BE SOLVED IN THE NOTEBOOK:**

**ACCOUNTANCY**

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| 1. | State any two objectives of financial analysis. |
| 2. | Radha Infrastructures Ltd, provides the following information:  **31st March 2013 31st March 2014**  **Non current Liabilities** [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)[Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)  10% Long term Borrowings 60,000 45,000  Additional Information:  Equity Share Capital issued during the year [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg) 6,00,000  Amortisation of Goodwill [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)4,000  Interim Dividend paid during the year was [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)30,000  Find out the cash flow from financing activities. |
| 3. | Relax Ltd. purchased a machinery on deferred payment basis. During the year ended 31.3.2016, the company paid an installment of [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)4,00,000 which included an interest of [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)40,000. Under which activity or activities the instalment will be classified while preparing Cash Flow Statement. |
| 4. | The Debt Equity of a company is 2.5:1. State with reasons whether the following transactions will increase/decrease/not alter the ratio:  (a)Redeemed 12% Debentures of [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)1,00,000 at a premium of 10%.  (b)Issued [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)2,00,000 equity shares to the vendors on purchase of machinery. |
| 5. | Calculate Return on Investment from the following information:  [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)  Net Profit after tax : 1,80,000  10% Long Term Borrowings: 4,00,000  Equity Share Capital : 6,00,000  Securities premium: 30,000  Reserves & Surplus: 3,60,000  Tax rate: 40% |
| 6. | Write the sub-heading and major heading for the following items as per schedule III to The companies Act 2013.  (i)Unpaid Dividend; (ii)Debenture Redemption Reserve; (iii)Loose tools |
| 7. | From the following calculate :  Operating Profit Ratio, Working capital turnover ratio and Net Profit Ratio.  *Items Amount (*[Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)*)*  (i) Revenue from operations 2,00,000  (ii) Gross Profit 75,000  (iii) Office Expenses 15,000  (iv) Selling Expenses 26,000  (v) Interest on Debentures 5,000  (vi) Accidental Losses 12,000  (vii) Income from Rent 2,500  (viii) Commission Received 2,000  (ix) Current Assets 60,000  (x) Current Liabilities 10,000 |
| 8. | From the following information prepare a Common Size Statement.   |  |  | | --- | --- | | Particulars | Amt. ([Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)) | | Revenue from Operation | 75,000 | | Other Income | 15,000 | | -Employee benefit expenses(40% of Revenue from Operation) | - | | Other Expenses (10% of Employee Benefit expenses) | - | | Tax rate (50%) | - | |
| 9. | Prepare a Cash Flow Statement :   |  |  |  |  | | --- | --- | --- | --- | | Particulars | Note No. | 31.03.2016  ([Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)) | 31.03.2015  ([Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)) | | **EQUITY AND LIABILITIES**  **(1) Shareholders Funds**  (a) Share capital  (b) Reserves and Surplus | 1 | 14,00,000  5,00,000 | 10,00,000  4,00,000 | | **(2) Non-Current Liabilities**  Debentures |  | 4,00,000 | 1,40,000 | | (3) Current Liabilities  Trade Payables  Short term Provisions | 2 | 2,00,000  80,000 | 60,000  60,000 | | **TOTAL** |  | **25,80,000** | **16,60,000** | | **ASSETS**  **(1) Non Current Assets**  (a) Tangible assets  (b) Intangible Assets  (c) 10%Non-current Investments | 3  4 | 14,00,000  1,20,000  2,20,000 | 8,00,000  2,00,000  1,00,000 | | 2) Current Assets  (a)Current Investments  (b) Inventories  (c) Trade Receivables  (d) Cash and Cash Equivalents |  | 75,000  2,50,000  5,00,000  15,000 | 50,000  2,00,000  3,00,000  10,000 | | **TOTAL** |  | **25,80,000** | **16,60,000** |   Notes to Accounts:   |  |  |  |  | | --- | --- | --- | --- | | Note 1 | Reserves and Surplus:  General Reserve  Profit & Loss A/c | 31.03.16 [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)  3,50,000  1,50,000 | 31.03.15 [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)  4,50,000  (50,000) | | Note 2 | Short Term Provision:  Proposed Dividend  Provision for tax | 45,000  35,000 | 40,000  20,000 | | Note 3 | Tangible Assets  Machinery (Net) | 14,00,000 | 8,00,000 | | Note 4 | Intangible Assets  Goodwill | 1,20,000 | 2,00,000 |   Additional Information:  (i) Machinery costing [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)1,20,000, accumulated depreciation there on [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)55,000 is sold for [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)75,000. During the year depreciation charged on remaining assets [Description: Indian Rupee symbol.svg](http://en.wikipedia.org/wiki/File:Indian_Rupee_symbol.svg)2,30,000.  (ii) Debentures were issued on 31.03.2016 and Non-current Investments were purchased on the same date. |

**ECONOMICS**

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|  | **SECTION A: MICRO ECONOMICS** |
| 1 | In every economy there are three problems. As these are basic and common to all economies so these are also known as central problems of economy. One of the central problem emphasizes which technique viz. capital intensive or labour intensive is to be used for production of goods.   1. Identify the central problem highlighted above. 2. What do you mean by the labour intensive technique? |
| 2 | One of the factors influencing demand for a good by an individual is “income of the consumer”. Suraj, a consumer likes a particular good but Rohit, another consumer does not like the same good because his income as compared to Suraj is high.   1. Identify the value which has been affected by unequal distribution of income. 2. List the other factors influencing the demand for a good. |
| 3 | Define and draw a production possibility curve. What does the movement along the curve show? |
| 4 | Explain the difference between: a. inferior and normal goods b. cardinal utility and ordinal utility. |
| 5 | Explain the conditions of consumer’s equilibrium in case of   1. Single commodity b. Two commodities. Use utility approach. |
|  | **SECTION B: MACRO ECONOMICS** |
| 7 | Free meals given to employees if it is not necessary for work is a facility given to employees and is treated as compensation of employees hence it is included in income method of estimating national income. However, meals given to beggars are not included in the national income.   1. Give reasons why meals given to beggars are not included in the national income. 2. Whether payment of bonus to school employees is accounted in the income method of estimating national income? |
| 8 | The percentage of cash reserves is fixed by central bank. After keeping a part of these reserves with the central bank, remaining part is being kept with the commercial banks. This reserve can be used by the central bank in meeting the emergency cash requirements of individual commercial banks.   1. What is meant by CRR? 2. In your opinion identify the value highlighted above. |
| 9 | What role of RBI is known as lender of last resort? Explain. |
| 10 | Explain the problem of double counting in estimating national income, with the help of an example. Also explain two alternative ways of avoiding the problem. |
| 11 | From the following data calculate national income by; a. Income method b. Expenditure method.  Private final consumption expenditure 2000  Net capital formation 400  Change in stock 50  Compensation of employees 1900  Rent 200  Interest 150  Operating surplus 720  Net indirect tax 400  Employer’s contribution to SSS 100  Net exports 20  Net factor income from abroad (-) 20  Government final consumption expenditure 600  Consumption of fixed capital 100 |

**BUSINESS STUDIES**

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| Q. No | Questions |
|  | ‘The Management Principles can be applied to all types of activities’.  Which characteristic of management is highlighted by this statement? |
|  | The concentration of decision-making authority is called centralization whereas its dispersal among more than one person is known as what? |
|  | Business Environment includes both ‘Specific and General Forces’ List any two general forces. |
|  | Which process aims at giving greater role to the private sector in the nation building process and a reduced role to the public sector? |
|  | Your grandfather has retired from an organization in which he is responsible for implementing the plans developed by the top management. At which level of management was he working? State two more functions performed at this level |
|  | Briefly discuss any three impacts of Government Policy changes on Business and Industry. |
|  | How do the techniques of Time Study and Motion Study help in improving workers’ efficiency? |
|  | The production manager of a company keeps on insisting that the workers should produce more and more products. The workers, in order to produce, work recklessly and final product is kept here and there. The over-burdened workers have started going on leave. So that production does not decline, employees of other departments are asked to work in the production department.  (a) Which general principles of management have been violated in the above description?  (b) Explain these principles in brief  (c) What remedial steps would you have taken in the above situation? |
|  | Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner E com Creations Ltd. He launches a new product in e-learning for Senior Secondary School students in Commerce stream, which already has an established market in UK and USA but not in India. His business starts flourishing in India. Now more Indian companies entered into the market with other subjects also. Identify and quote the lines and explain from above Para which highlight the significance of understanding business environment. |
|  | A.R. Rehman is the first Indian to win Oscar award for his composition  `Jai Ho’. His composition of music is unique and different as he has  used the singing notes in a manner that is entirely his own  Interpretation. Like A.R. Rehman, `Nandan’ General Manager in Sea  Ltd, uses his knowledge of management in a unique and different  manner and all the employees working under his guidance are happy  and satisfied. He rewards the employees who come to office on time.  a) Identify the nature of management highlighted above.  b) State and explain two other ways in which nature of management  can be explained. c) Identify the value that Nandan wants to inculcate in his employees.  Also explain how? |

**ENTREPRENEURSHIP**

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| *QS* | *QUESTIONS* |
| 1. | Why should an entrepreneur file entrepreneurship memorandum at District Industrial Center? |
| 2. | “The entrepreneur starts thinking about the idea and implementation in his sub-conscious mind”. The above given details is related to one of the steps involved in the creative process. Identify. |
| 3. | Shipping tycoon Aristotle Onassis, was one of the richest men in the world in the 1960s. As a  Youngster, Onassis had immigrated to Argentina from Greece. He learned Spanish at night and sold tobacco by day. At merely 15, he landed a big tobacco order and reinvested in his petty business. As he accumulated more money, his small business was eventually built into his great financial empire.   1. Identify the form of organization using the details given above. 2. Explain one of the legal formalities involved in starting the identified form of organization. |
| 4. | Unlimited liability Mutual agency and Utmost good faith are some of the features of this form of organization.   1. Identify the type of organization from the details given above. 2. Write any two consequences of non-registration of the above identified form of organization. |
| 5. | Distinguish between private company and public company. |
| 6. | It is a comprehensively written down document prepared by the entrepreneur describing formally all the relevant external and internal elements involved in starting a new venture.   1. Identify the document from the above given details. 2. Explain any two importance of the identified entrepreneurial concept above. |
| 7. | It is a system whereby there is a smooth and coordinated flow of work within the factory so that, by planning and control of all the productive operations in all the stages of manufacture, the final product is completed in accordance with the plans.   1. Identify the entrepreneurial concept discussed above. 2. Explain the three elements of the identified concept. |
| 8. | It is described as ‘Convenient frames of reference for streamlining the process of generation of ideas.'   1. Name the entrepreneurial concept from the given details above. 2. What are the various sources of the above identified concept? |
| 9. | In a sense generating ideas is relatively an easy exercise, especially if it is done in groups. However, this process can also become a wild goose chase because all ideas need not necessarily become sound business opportunities. We have to assess it in terms of the potentiality of the opportunity. What are the steps involved in this type of assessment? |
| 10. | Who are the users, where are they located, how much do they buy, from whom do they buy, and why?  How have promotion and advertising been employed and which approach has been most effective?  One of the element of the business plan provides answers to the questions given above.   1. Name the element of the business plan. 2. What are the steps involved in preparing the above identified entrepreneurial concept? |