

Sy BAF

Sem:- III

OCT - 2019

**QUESTION PAPER**

**S.Y.BCAF**

**SEM-III**

**OCT. - 2019**

FC

04/10/2019

Class: SYBAF  
Marks: 75

Semester: IV  
Time: 2.5 Hours

- Q.1a) State whether the following statements are true or false. (Any 8) 8 marks
1. Bond market is less volatile than stock market.
  2. T-bills are money market investments, i.e., short term debt investments issued by the Government of India, and are issued in three tenures 91 days, 182 days, and 364 days.
  3. Under - priced shares leads to over - subscription of shares.
  4. NSE was established in 1992.
  5. Bulls have an optimistic outlook of market.
  6. Prepaid credit card requires the cardholder to load money on to the card before using the card.
  7. Low credit quality bond is termed as junk bonds.
  8. Derivative instruments are issued at a discount and are redeemed at face value on maturity.
  9. Capital market is a financial market in which financial assets with a term-to maturity of typically less than one year are traded.
  10. Right Shares are issued without any consideration.

- Q.1b) Select the appropriate alternative. (Any 7) 7 marks
1. Secondary Market deals with \_\_\_\_\_ securities. (listed, unlisted)
  2. Fixed return on bond is termed as \_\_\_\_\_. (dividend, coupon)
  3. \_\_\_\_\_ is needed for developing a product in the initial stage. (Seed capital, Bridge financing)
  4. \_\_\_\_\_ bank accepts payment on behalf of the trader. (Issuing, Acquiring)
  5. Interest on corporate bonds is \_\_\_\_\_. (taxable, non - taxable)
  6. Under book building method price band cannot exceed \_\_\_\_\_ of the floor price. (20%, 25%)
  7. \_\_\_\_\_ card are used at specific locations for specific purposes. (Charge, Limited purpose)
  8. \_\_\_\_\_ is also called bought out deal. (Offer for sale, Book building method)
  9. \_\_\_\_\_ is the process of admission of a security's eligibility for trading on an organized securities exchange. (Listing, Delisting)
  10. BSE was established in \_\_\_\_\_. (1975, 1875)

- Q.2a) What are the types of non - banking intermediaries? *IF MF for Reg MID Lese H Pvc* 8 marks  
 Q.2b) Who are the participants of primary market? *IB Reg Bank Brokers Underw* 7 marks

OR

- Q.2p) What are the types of fund based services? *LF HF BD uc HF Ins for Fd H F* 8 marks  
 Q.2q) What are the benefits of investing in debt market? *Safe F L Cur 9.3 LS Div* 7 marks  
 Q.3a) Explain the classification of capital market. *UB or Cap Mas* 8 marks  
 Q.3b) What are the underlying asset in case of derivatives? *Stk Bonds Com FC Id n* 7 marks

OR

- Q.3p) What are the factors responsible for growth of debt market? *Transp MKT Liquidity 2nd 1st* 8 marks

Q.3q) What are the benefits of stock exchanges? *Buy & Sell*

7 marks

Q.4a) What are the advantages of consumer finance? *Saves, Con, Eases, etc.*

Q.4b) What are the characteristics of derivatives? *Value driven, Trade, Future, Leverage, High risk*

8 marks  
7 marks

OR

Q.4p) Explain the progress of merchant banking. *Bank Sub, Private fin, SEBI, DFA - CRISIL*

Q.4q) Explain the methods of Venture Capital Financing? *Govt, Private, Foreign, etc.*

8 marks  
7 marks

Q.5a) Explain the advantages of investing in mutual funds. *Low risk, Low cost, Flexible*

Q.5b) Explain the advantages of credit card. *PP, Credit, etc.*

8 marks  
7 marks

OR

Q.5) Write short notes on:

- p) OTCEI
- q) Option Market
- r) Segments in debt market
- s) Participants in derivative market
- t) T - Bills

15 marks

SUBAF

05/10/2019

sem III oct 2019

Sub:- Business Law -II

Total Time : 2 ½ hrs

Total Marks : 75

Note : All Questions are compulsory

Q.1)

(A) Fill in the blanks : (Any 8)

(8)

1. Right to remuneration is not a right of partners.
2. The Partnership arises by operation of law.
3. Mutual Agency is Prima facie evidence.
4. There must be atleast 3 partners under Partnership Act.
5. Safety officer under Factories Act is appointed wherein 1000 workers are employed
6. According to the Factories Act definition of Week is a period starting at midnight of Saturday night.
7. 48 hours is the Maximum number of hours in a week that an adult worker is allowed to work in a Factory.
8. Governing Act for LLP is Indian Partnership Act 2018
9. Listed public company can be converted into LLP
10. Voluntary winding up requires Ordinary resolution.

(B) Match the columns : (Any 7)

(7)

- | A                              | B                                     |
|--------------------------------|---------------------------------------|
| 1. Sec. 15 under Factories Act | a. 1948                               |
| 2. Sec. 46 under Factories Act | b. Hybrid form of business activity   |
| 3. Occupier                    | c. Capital under LLP                  |
| 4. Factories Act               | d. 1932                               |
| 5. Holding out                 | e. Artificial humidification          |
| 6. Contribution                | f. Beneficiary under Partnership deed |
| 7. Active Partner              | g. Represents himself to be partner   |
| 8. LLP                         | h. Ostensible partner                 |
| 9. Partnership Act             | i. Canteen facility                   |
| 10. Minor Partner              | j. Ultimate control over factory      |

Q.2)

(a) What are the rights and duties of partners under Indian Partnership Act.

(15)

OR

(b) What are the essential element of Partnership under Indian Partnership Act, 1932. (8)

(c) Explain Advantages and disadvantages of Partnership. (7)

Q.3)

(a) Distinguish between LLP and Partnership. (15)  
OR

(b) Explain the procedure of conversion of Unlisted Public Company into LLP. (8)

(c) Explain Voluntary winding up under LLP Act, 2008 (7)

Q.4)

(a) Explain Health and Welfare Provisions under Factories Act 1948 (15)  
OR

(b) Define and explain Manufacturing process under Factories Act, 1948 (8)

(c) Explain the provision for Annual Leave with Wages under Factories Act, 1948 (7)

Q.5)

(a) What is Implied Authority of Partners. State the acts which are within Implied Authority under Indian Partnership Act. (8)

(b) Explain Advantages of LLP (7)

OR

Q.5)

(c) Write Short Note (Any 3) (15)

1) Safety Provisions under Factories Act, 1948.

2) Worker under Factories Act, 1948

3) Holding out under LLP Act, 2008

4) Minors position under Indian Partnership Act, 1932

5) Partnership Property under Indian Partnership Act, 1932.

**Time: 2½ hours**

**Total Marks: 75**

- Note: 1. All questions are compulsory.  
2. Figures to the right indicate full marks.  
3. Draw neat diagram wherever necessary.

Q.1. Answer any two: 15

- Explain the circular flow of income and expenditure in four sector economy.
- Discuss the factors which influence consumption function.
- Define national income. Explain the various concepts of national income.

Q.2. Answer any two: 15

- What are the qualitative instruments of monetary policy?
- Define Inflation. Explain demand-pull inflation.
- Explain different concepts/constituents of money supply .

Q.3. Answer any two: 15

- What are the objectives of fiscal policy?
- Explain the various types of deficits.
- Explain the burden of external debt.

Q.4. Answer any two: 15

- Bring out the differences between Ricardian and Hecksher-Ohilin theories of trade.
- Explain the various types of disequilibrium in the balance of payments position.
- Explain the benefits of foreign direct investment.

Q.5. A) Conceptual Question: (Any four out of six)

8

- 1) Trade Cycle
- 2) Marginal Efficiency of Capital
- 3) Precautionary Motive
- 4) Public Expenditure
- 5) Devaluation
- 6) Forward Exchange Rate

Q.5. B) Multiple Choice Questions: (Any Seven)

7

1) At peak \_\_\_\_\_

- a) prosperity begins
- b) recession ends
- ~~c) prosperity ends~~
- d) depression ends

2) What is the value of multiplier if MPC is  $\frac{1}{2}$ ? \_\_\_\_\_

- ~~a) 2~~
- b) 3
- c) 4
- d) none of the above

3) Public goods are \_\_\_\_\_

- ~~a) non-rival and non-excludable~~
- b) rival and non-excludable
- c) non-rival and excludable
- d) rival and excludable

4) Cultural changes due to international trade are always \_\_\_\_\_

- a) positive
- b) negative
- ~~c) both positive and negative~~
- d) none of the above

5) Free trade lowers the \_\_\_\_\_

- ~~a) Cost of production~~
- b) efficiency in production
- c) international competition
- d) all of the above

6) Expenditure reducing policy consist of \_\_\_\_\_

- a) tight monetary policy
- b) contractionary fiscal policy
- c) expansionary monetary and fiscal policies
- ~~d) contractionary monetary and fiscal policies~~

7) Vehicle currency is \_\_\_\_\_

- ~~a) a standard, internationaliy accepted currency~~
- b) a currency issued by IMF
- c) a currency issued by RBI
- d) none of the above

8) According to Keynes, in order to increase employment we have to increase aggregate \_\_\_\_\_

- a) supply
- b) output
- ~~c) demand~~
- d) investment

9) Transaction motive is further sub-divided into \_\_\_\_\_

- a) speculative and precautionary
- b) profit and business
- ~~c) income and business~~
- d) none of the above

10) Objectives of monetary policy are \_\_\_\_\_

- a) economic growth
- b) price stability
- c) full employment
- ~~d) all of the above~~



Subj: - I.T. in Accountancy-I Date: - 09/10/2019

SYBAF SEM-III Exam Oct-2019

Time: 2½ hours)

Total Marks: 75

- N. B.: (1) All questions are compulsory.  
(2) Answers to the same question must be written together.  
(3) Numbers to the right indicate marks.

- Q1. A. State true or false (Any 8) (8)
1. Versatility is a feature of Computers.
  2. ROM is a secondary memory device.
  3. A cyber café can be set up as a LAN.
  4. In ISO-OSI reference model, Presentation layer is after the Application layer.
  5. In MS Word, Heading styles are useful only for displaying larger fonts.
  6. Ctrl+P is a keyboard shortcut for pasting text in MS Word.
  7. \$A\$1 is Absolute cell referencing in MS Excel.
  8. In Tally, a company can be managed in "Inventory only" mode.
  9. EDI is Electronic Data Interchange.
  10. Flipkart is B2C type of E-Commerce.

- Q1. B. Match the following (Any 7) (7)

1. Input Device	a. Microsoft Windows
2. Output Device	b. Small sized network
3. Application Software	c. Keyboard
4. System Software	d. Google Chrome
5. LAN	e. Largest Network
6. WAN	f. Star
7. Network topology	g. Trojans
8. Quickr.com	h. Monitor
9. BookMyShow.com	i. C2C E-commerce
10. Malicious Software	j. B2C E-commerce

- Q2. A. Classify and Explain all types of computer memory devices. (15)
- OR
- Q2. B. Enlist the advantages of Computer Networks. What is the use of following Network devices: (a) Hub (b) NIC (8)
- C. Explain Mesh topology. List its advantages and disadvantages. (7)
- Q3. A. Write steps to create, display, alter and delete a ledger in Tally. (8)
- B. What are the features of MS Excel? (7)

OR

Q3. C. How to create letters using Mail Merge in MS Word where Address data is in MS Excel. (15)

Q4. A. Compare Internet, Intranet and Extranet. (15)

OR

Q4. B. What is Virtual reality? How is it used in education and entertainment? (8)

C. Explain with examples, the various types of E-Commerce. (7)

Q5. A. What is Internet? Describe the history of Internet. (8)

B. What Marketing Strategies can be implemented for E-Commerce? (7)

OR

Q5. C. Write Short Notes on: (Any3) (15)

1. Extranet

2. Satellite Microwaves

3. Tally ERP

4. E-Commerce

5. Nanotechnology

Time: 2½ hours

**Total Marks: 75**

- N. B.: (1) All questions are compulsory.  
 (2) Answers to the same question must be written together.  
 (3) Numbers to the right indicate marks.

**Q1A. State whether the following is true or false. (Any 8) (8)**

1. Expenses due but not paid appears on liabilities side of balance sheet.
2. Interest on drawing is income to partnership firm.
3. In excess capital method, lowest unit capital is taken as base capital.
4. Outstanding salary means preferential unsecured creditors.
5. In case of amalgamation, general reserves are credited to partners' capital account.
6. In case of amalgamation, asset and liabilities not taken over by partners are distributed in profit sharing ratio.
7. Conversion of firm involves dissolution of firm.
8. In case of conversion of partnership firm into company, all assets and liabilities are taken over at market value.
9. Closing rate is exchange rate at the end of the year.
10. Inventory non-monetary item.

**Q1B. Match the following column. (Any 7) (7)**

	A		B
1.	Partnership Deed	a.	Liability of vendor taken over by partner
2.	Conversion of firm into company	b.	Income Tax payable
3.	Debit Partner Capital Account	c.	Bank Loan with security as plant
4.	Unsecured Creditors	d.	Creditors
5.	Preferential Creditors	e.	Set of rules and regulation
6.	Ratio of rate of two currencies	f.	Average Rate
7.	Sale of firm to company	g.	Exchange Rate
8.	Credit Partner capital account	h.	Partners are promoters
9.	Mean of exchange rate	i.	Partners may not be director
10.	Secured creditors	j.	Asset of vendor taken over by partner

1-e      6-g  
 2-h      7-i  
 3-j      8-a  
 4-d      9-f  
 5-b      10-c

Q.2A

(15)

Rohit and Virat were sharing profit and losses in ratio of 3:2. Shikhar joined in as partner from 01-10-2012.

The following is trial balance as on 31-03-2013

Particulars	Dr	Cr
Rohit's Drawing and Capital	7500	150,000
Virat's Drawing and Capital	5000	100,000
Shikhar's Drawing and Capital	2500	75,000
Opening Stock (01-04-2012)	15000	
Purchases and sales	450000	700000
Wages	70000	
Furniture	100000	
General Expenses	30000	
Selling Expenses	7000	
Debtors and Creditors	313000	125000
Cash and Bank	175000	
Amount brought by shikhar as his share of goodwill		25000
	1175000	1175000

Other Information:

1. Stock on 31-3-2013 was Rs.90000
2. Purchase from 01-04-2012 to 30-09-2012 were Rs.200,000
3. Sales from 1-4-2012 to 30-09-2012 were Rs.3,00,000
4. Wages from 01-04-2012 was Rs.30,000
5. Stock on 30-09-2012 is Rs.40000
6. Furniture worth Rs..50,000 were purchased on 01-01-2013(entry already made in the books). Depreciation on furniture is 20%
7. Interest on partner's capital is to be provided at 12%pa

Prepare Trading Account, Profit and Loss Account , Profit and Loss Appropriation Account, Partner's capital account and Balance Sheet for given Period.

Trading	P&L	OR P&L	Cap	B/S
95000	72000	32400   45600	265300	665500
160,000	133500	22800   45600	175400	
		22800	99800	

Q.2B Following is trail balance as on 31-12-2013

(15)

Debit	Amount	Credit	Amount
Purchase	78000	<u>Capital</u>	
Return inward	1200	Tendulkar	15000
Stock	12000	Ganguly	15000
<u>Drawing</u>		Dravid	15000
Tendulkar	6000	Sales	147000
Ganguly	6000	Return Outward	1000
Dravid	6000	RDD	4400
Salary	13500	Bank Loan	10000
Office Expenses	8250	Creditors	38250
Bad Debts	1050	Bills Payable	4350
Carriage inward	2250		
Carriage Outward	3375		
Debtor	50000		
Bills Receivable	1625		
Bank Balance	4000		
Cash	1250		
Investment	12500		
Premises	25000		
Machinery	18000		
	250000		250000

Tendulkar retired on 01-07-2013, Prepare Trading Account, Profit and Loss Account, Profit and Loss Appropriation Account, Partner's capital account and Balance Sheet for given Period.

1. Goodwill of Rs.45,000 was raised but not written off.
2. Purchase of furniture worth Rs.10000 was not recorded.
3. Balance in Tendulkar's Account was transferred to his loan account carrying 16%pa interest.
4. Closing stock is Rs.21000
5. Depreciate Machinery by 10% and Premises and Furniture by 5%.
6. Interest on Capital 10%pa.

T/B	P&L	P&L Appr	Cap	B/S
75550	25238	7663	T Loan 32412	<del>184900</del>
	22519	7662	<del>34113</del>	184950
		7662	G 43672	
			D 43672	

Q.3A

(15)

Dhoni, Raina and Jadeja Were partners of M/s CSK. Sharing profit and losses in ratio of 1:1:2. on 30<sup>th</sup> June, 2017 they decided to dissolve there firm. When balance sheet was under

Liabilities	Rs	Assets	Rs
Capital		Goodwill	60000
Dhoni	120000	Building	120000
Raina	80000	Plant	134000
Jadeja	150000	Stock	61500
General Reserves	40000	Debtors	90000
Loan from Raina	20000	Bills Receivable	18500
Sundry Creditors	80000	Bank	6000
	490000		490000

Date	Realisation	Expenses
July	55000	1000
August	170000	5000
September	175000	2500
October	81000	1500

Prepare statement of distribution by highest relative capital method.

Excess Dhoni - 40,000 OR 5,000 - 5,000

3250  
3250  
6500 (15)

Q.3B

Following is the balance sheet of the two firm

B/C 29700 | 45300 | 75000

Liabilities	Gavaskar and Co	Shastri and Co	Assets	Gavaskar and Co	Shastri and Co
Capital			Premises		5000
Gavaskar	11500		Computers	10000	
Sharma	11500		Furniture	5000	7000
Shastri		18000	Inventory	9000	8000
Kohli		12000	Debtors	6000	14000
General Reserve		3000	Bank	2000	4000
Creditors	5000	4000	Cash	1000	2000
Bills Payable	5000	3000			
	33000	40000		33000	40000

Profit 5850 OR 9650

5850 9650

bal old 14,850 14,850 25,650 19,650

Bharat B/S 92,000

It was mutually decided to amalgamate business into M/s Bharat from 01-04-2014 on following terms.

1. Premises and Computers were valued at Rs.10000 and Rs.12000 respectively.
2. Furniture was not taken over by M/s Bharat.
3. Reserves are to be created at 5% on debtors.
4. Goodwill of Gavaskar and co was valued at Rs.10,000 and that of Shastri and co at Rs15000

Show all the ledgers necessary for the purpose of amalgamation in books of Gavaskar and co, Shastri and Co and m/s Bharat.

**Q.4 A**

**(15)**

Malinga and Sangakkara were in partnership sharing profit and losses in the ratio of 2/3 and 1/3.

Their Balance Sheet on 31<sup>st</sup> March, 2018 were as follows.

Liabilities	Rs	Assets	Rs
Creditors	90000	Bank	21000
Bank Loan	30000	Debtors	78000
Capital		Stock	48000
Malinga	60000	Machinery	15000
Sangakkara	30000	Property	48000
	210000		210000

They decided to convert their business into Srilanka Ltd. Srilanka Ltd took all assets and liabilities except Bank Loan. Purchase Consideration is Rs.180000 Payable as under

Cash	36000
Debentures	72000
Equity shares of Rs.10 each	72000
Total	180000

Bank loan has been paid, debentures and equity shares are shared amongst partners in ratio of their capital. Prepare Realisation Account, Partner's Capital Account, Bank Account and Srilanka Ltd A/c in books of firm.

OR

Profit 54,000  
27,000

Bank -18,000  
9,000

48,000 | 24,000  
~~50,000~~  
48,000 | 24,000

Q.4B

(15)

Pass the journal Entries in books of Warner Ltd. Warner Ltd exports goods to Smith Ltd of Australia worth \$45000 on 10<sup>th</sup> January 2012, the exchange rate on given date was 1\$= Rs.49.50 payment.

The payments were made as under.

Date	\$ Received	Exchange Rate for 1\$(in Rs)
25-01-2012	12500	49.75
23-02-2012	12000	48.90
24-03-2012	12000	48.60
28-04-2012	8500	48.90

Exchange Rate on 31-03-2012 was \$1= Rs.48.75.

6375

21250

1275

Q.5

A. Define Partnership and explain features of partnership

(8)

B. Explain accounting Standard 11

(7)

OR

C. Write short notes on the following (Any 3)

(15)

1. Sale of firm to company
2. Purchase Consideration
3. Excess Capital Method
4. Foreign Exchange Fluctuation Reserves
5. Profit and Loss Appropriation



11/10/2019

Sub: Cost-Accounting - II

M.L.Dahanukar College of Commerce  
S.Y.B.Com( Accounting and Finance)  
Semester III OCT 2019

Time : 2.5 hrs

Marks : 75

Q1) A Choose the correct alternative ( any 8 out of 10 )

(08)

1. The cost data provide invaluable information for taking \_\_\_\_\_ managerial decision.  
(a) To make or buy (b) To own or hire fixed asset (c) Determining the expansion or contraction policy (d) All of the above
2. The following is cost of direct materials \_\_\_\_\_  
a) Freight charges b) grease C) coolant d) cotton waste
3. Process costing is applied when \_\_\_\_\_.  
a) large number of identical units are manufactured b) large number of different units are manufactured c) small number of different units are manufactured d) None of the above
4. \_\_\_\_\_ loss is an inherent loss in the production process.  
a) Normal b) Abnormal c) Both a and b d) None
5. Normal loss is \_\_\_\_\_.  
a) Controllable b) Uncontrollable c) Both a and b d) None
6. Prime cost + Factory overhead = \_\_\_\_\_.  
a) Factory Cost b) Cost of Production c) Total Cost d) None
7. In steel mill cost unit is \_\_\_\_\_.  
a) Per 1000 b) Tonne c) Meters d) None
8. Cost and financial accounts are to be reconciled in case of \_\_\_\_\_ systems.  
a) Integrated b) Non Integrated c) Both d) None
9. Joint products have \_\_\_\_\_ economic significance.  
a) Equal b) Greater c) Lesser d) None
10. Reconciliation of cost and financial records is necessary to \_\_\_\_\_.  
a) Ensure arithmetical accuracy  
b) Smooth co-ordination of activities  
c) Evaluate the reasons for variations for effective internal control  
d) All of the above

~~d) All of the above~~

Q1) B State whether true or false (any 7)

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| 1 Automobile                        | A Cost prior to split off point |
| 2 Freight on raw material purchased | B High Value job                |
| 3 Legal Charges                     | C Numbers                       |
| 4 Dividend Received                 | D Amount Certified but not paid |
| 5 Retention Money                   | E High Value Job                |
| 6 Contract                          | F Prime cost                    |
| 7 Contractor                        | G No Sale Value                 |
| 8 Joint Cost                        | H Administration Cost           |
| 9 Invisible normal loss             | I Non Cost item                 |
| 10 Unit Cost                        | J Total Cost / Output           |

(07)

Q2 A Galxo manufacturing gives you the following information for the year 2018. Production and sales during the year was 20,000 units.

(15)

Particulars	Rs
Materials	5,00,000
Direct Wages	3,00,000
Administrative Overheads (Fixed)	2,00,000
Sales	20,00,000
<b>FACTORY OVERHEADS</b>	
• Fixed	2,00,000
• Variable	4,00,000
<b>SELLING AND DISTRIBUTION OVERHEADS</b>	
• Fixed	1,20,000
• Variable	1,80,000

The company has worked to the maximum capacity of 20,000 units in 2018. The management has decided to increase the production to 30,000 units in the year 2019. It is also estimated that.

- 1) There would be all round increase in all the variable expenditures by 10%.
- 2) There will be increase in all the fixed expenses by 20%.
- 3) The selling price per unit for 2019 will increase by 10%.

Prepare a statement of total cost as well as cost profit for 2018. Also prepare estimated cost sheet for 2019 after considering the changes in the year 2018.

OR

Q2 B Jai Hind construction company undertook the construction of the building at the contract price of Rs 2,00,00,000. The date of commencement of the contract was 1<sup>st</sup> May, 2013. The information for the period ending 31.03.2014 is available. Prepare contract account. (10)

1. Direct Materials sent to the site 5,000 tons @ Rs 1.50 per kg.
2. Indirect Materials Rs 6,50,000
3. Direct Labour – 12,000 Mandays Rs 180 per manday.

4. Indirect Labour 7.5% of direct labour.
5. Sub contract charges charged @ 15% of indirect materials.
6. Direct materials returned to stores 20 tons.
7. Direct materials lost in an accident 5 tons.
8. Supervision charges paid Rs 8,000 per month.
9. Administrative overheads incurred Rs 12,000 per months.
10. Architect fees are 2% of the work certified.
11. Plant and Machinery installed at the site at the date of commencement of the contract at a cost of  
Rs 15,00,000 depreciated @12% p.a under original cost method
12. Cash received from contractee Rs 1,26,00,000 which is equal to 90% of work certified.
13. Direct Material at the site 31.03.2014 --- 15 tons.
14. Cost of work done but not certified was Rs 2,04,500 on 31<sup>st</sup> March 2014.

Q2 C Find out the cost of joint products A and B using contribution margin method from the following data. (5)

Sales :                      A : 1000 kgs @ 60 per kg                      B : 1200 kgs @ 30 per kg.  
Joint Costs :              Marginal Costs: Rs 8,800                      Fixed Cost : Rs 7,800

Q3 A M/s Vidya Paints and company manufactures two types of paints "Glossy" and "Mat". The particulars for the year ended 31<sup>st</sup> March 2018 are as follows : (15)

Particulars	Rs
Direct Material	2,50,000
Direct Wages	1,12,500
Direct Expenses	37,500
Total Sales	5,00,000

There was no work in progress at the beginning or at the end of the year. The following details were scrutinized :

1. Direct Material per unit of Glossy was twice as much as that of Mat .
  2. The direct wages per unit of Mat were 40% of those of Glossy.
  3. Direct expenses per unit of Mat were same as that of paint Glossy.
  4. Factory Overheads were that of 20% of the prime cost.
  5. Administration Overheads were 50% of the Direct Wages.
  6. 5000 units of Paint Glossy were produced out of which 4000 units were sold AND 10,000 units of pen Mat were produced out of which 8,000 units were sold during the year.
  7. Selling overheads were Rs 8 per unit of Glossy and Rs 9 per unit of Mat.
- You are required to prepare the cost statement of Paint Glossy and Mat showing the maximum details as possible.

OR

- Q3
- Direct materials consumed Rs. 2,00,000
  - Direct wages Rs. 1,00,000
  - Factory overheads Rs. 75,000
  - Administrative overheads Rs. 2,25,000
- (15)

- Selling and distribution overheads Rs.2,40,000
- Bad Debts Rs. 30,000
- Preliminary expenses written off Rs. 40,000
- Legal charges Rs.20,000
- Interest on Bank deposit received 20,000.
- Sales (1,20,000 units) 18,00,000.
- Closing stock (30,000 units) 1,60,000

The cost accounts reveal the following: Direct materials consumed Rs. 2,20,000, Direct wages Rs. 80,000, Factory overheads at 20% on prime cost. Administration overheads at Rs. 2 per unit produced and selling overheads at Rs. 2 per unit sold.

Prepare:

- Statement showing cost and profit
- Financial profit and loss account
- Reconciliation statement

- Q4 A** Product A is obtained after it is obtained after it is processed through X,Y, and Z. The following cost information is available for the month ended 31<sup>st</sup> March, 2014. (15)

	PROCESSES		
	X	Y	Z
Number of units introduced in the process	500		
Rate per unit of units introduced	04		
Cost of Material	2,600	2,000	1,025
Direct Wages	2,250	3,680	1,400
Production Overheads	2,250	3,680	1,400
Normal Loss	10%	20%	25%
Value of Scrap per unit	02	04	05
Output in Units	450	340	270

There is no stock in any process. You are required to prepare Process Accounts

OR

- Q4 B** PROCTER & GAMBLE LTD. manufactures a chemical which passes through three processes. The following particulars gathered for the month of January, 2018. (15)

Particulars	Process I	Process II	Process III
Materials (Kgs)	200	104	84
Materials Cost	19,200	9,400	3,000
Wages	3,840	3,800	1,100
Normal Loss (% of input)	4%	5%	5%
Scrap Sale Value (per Kg)	-	1.5	-
Output transferred to next process	50%	40%	-
Output transferred to warehouse	50%	60%	100%

Over heads are charged @50% of Direct Wages. Prepare Process Accounts.

- Q5 A** What is the difference between joint and by products? (08)

Q5 B State the reasons for preparing cost and financial profit reconciliation. (07)

OR

Q5 Write Short Notes ( any 3) (15)

1 Contract Account

2 Abnormal Loss

3 Non cost items

4 Uses of cost sheet

5 Profit centre

## Taxation-II

Time: 2½ hours)

Total Marks: 75

- N. B.: (1) All questions are compulsory.
- (2) Answers to the same question must be written together.
- (3) Numbers to the right indicate marks.
- (4) Use of simple calculator is allowed

**Q.1.(A) State whether the following statements are TRUE or FALSE : (Any 8) : (8)**

1. Income from agricultural land in Sri Lanka is not taxable.
2. Capital gain arises on transfer of any asset.
3. Entertainment allowance is allowed as a deduction to both government and non-government employees.
4. Rent from sub-letting property is taxable under income from house property.
5. Assessment year can be for a period of less than a year.
6. Municipal taxes are allowed as deduction only if borne by tenant.
7. In case of self-occupied property, net annual value is zero.
8. Perquisite value of gas, electricity and water supply is taxable under income from other sources.
9. Vacancy rent is deducted from gross annual value.
10. Bonus declared is taxable under income salaries.

**Q.1.(B) Select the appropriate option (Any 7) : (7)**

1. Deductions to handicapped individual Resident is allowed under \_\_\_\_ (Sec. 80U / Sec. 80 DD)
2. Resident Status of an individual depends on the stay of the assessee in India during \_\_\_\_\_  
(Previous Year / Assessment Year)
3. \_\_\_\_\_ are not taxable. (Illegal Income / Personal Gift)
4. Interest on loan for higher education is allowed under \_\_\_\_\_ (Sec. 80E / Sec. 80TTA)
5. Mediclaim paid for parent (whether dependent or not) is exempt up to \_\_\_\_\_  
(₹25,000 / ₹50,000)
6. In order to claim deduction under sec 80 D mediclaim should be paid in \_\_\_\_\_  
(Cheque / Cash)

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7. Section \_\_\_\_\_ [10(2), 10(2A)] exempts income receipt by a member out of HUF income.
8. A Person by whom any tax is payable under Income Tax Act, 1961 is called as \_\_\_\_\_  
(Individual / Assessee)
9. Dividend on shares of Indian Company is Exempt u/s \_\_\_\_\_ [10(34) / 10(35)]
10. Exceptions of second basic condition given in Sec. 6(1) are applicable to \_\_\_\_\_  
(Indian Citizen / Foreign Citizen)

**Q.2. Calculate Income from Salaries of M/s. Shweta for the assessment year 2019 – 20. (15)**

- a) Basic Salary per month ₹10,000.
- b) Dearness Allowance :
  - (i) From 1-4-2018 to 31-12-2018 – 20% of Basic.
  - (ii) From 1-1-2019 to 31-3-2019 – 30% of Basic.
- c) Taxable Conveyance Allowance – ₹4,500.
- d) Medical Expenses reimbursed – ₹20,000.
- e) Entertainment Allowance ₹20,000.
- f) Arrears of salary ₹35,000.
- g) Perquisite value of gas, water and electricity supply – ₹10,000.
- h) Profession Tax paid – ₹1,000.
- i) Bonus declared ₹10,000.
- j) Leave Travel Allowance ₹15,000 (Exempt – ₹3,000)

**OR**

**Q.2.(a)** Compute total income of Mrs. Karishma for assessment year 2019 – 20 assuming the residential

status to be Resident and Ordinary Resident, Resident but not Ordinary Resident and Non-resident.

**(8)**

- a) Salary earned in Delhi ₹2,50,000, ₹50,000 received abroad.
- b) Income from profession in Canada – ₹3,00,000.
- c) Income from house property in India – ₹40,000.
- d) Income from agriculture in India – ₹10,000.
- e) Income from business in India, controlled from France – 6,00,000.
- f) Profit from business in Bhutan – ₹60,000.
- g) Interest on securities accrued in India – ₹5,000.

**Q.2.(b)** Determine the residential status of Mr. Joy for the assessment year 2019-20. Mr. Joy, an Australian stays in India for 80 days in 2018 – 2019, 50 days in 2017-2018 and 70 days in 2016-17.

**(7)**

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**Q.3.** Calculate Income from House Property of Mr. Jay for the assessment year 2019-20. (15)

Particular	House A LOP	House B DLOP	House C SOP
Municipal Valuation	8,50,000	11,00,000	8,80,000
Fair Rent	7,00,000	10,50,000	10,20,000
Standard Rent	6,50,000	10,75,000	10,00,000
Actual Rent	8,00,000	---	---
Municipal Taxes paid by owner			
Assessment Year			
2019 – 20	5,000	10,000	7,000
2018 – 19	6,000	9,000	6,000
2017 - 18	8,000	11,000	8,000
Interest for loan taken for renovation and reconstruction of property in 2016	2,15,000	2,20,000	2,17,000
Land Revenue	3,000	2,000	1,000
Insurance	1,000	3,000	5,000
Ground Rent	2,000	5,000	3,000
Vacancy	1	--	---

**OR**

**Q.3.(A)** Compute total income from other sources of Mr. Vinod for the assessment year 2019-2020. (8)

- Royalty from books ₹65,000. Expenses of typing – ₹5,000.
- Examination fees from University of Mumbai – ₹4,000.
- Interest on Public Provident Fund – ₹5,000.
- Honorarium received from management institute as a lecturer ₹7,500. Conveyance for visiting the institute – ₹500.
- Income from agricultural land in India – ₹10,000.
- Interest on Bank Deposits – ₹6,000.
- Income Tax Refund – ₹2,000.
- Interest on Income Tax Refund – ₹1,000.

**Q.3.(B)** Shri Raj purchased a House Property for ₹3,50,000 on 10<sup>th</sup> August 2005. He constructed a first

floor during the Financial Year 2008 - 09 for ₹4,00,000. He sold the property on 15-6-2018 for



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₹75,000. He paid brokerage ₹50,000 for the sale transaction. You are required to compute the income from capital gains for the Assessment Year 2019 – 20. (CII : 2005 – 06 = 117, 2008 – 09 = 137, 2018 – 19 = 280) (7)

**Q.4.** From the following Profit and Loss Account of Mr. Khan calculate the total taxable income for the assessment year 2019 – 20. (15)

**Profit and Loss Account for the year ended 31<sup>st</sup> March 2019**

Particular	₹	Particular	₹
To Salaries to Employee	2,00,000	By Gross Profit b/d	10,00,000
To Salary to Mr. Khan	60,000	By Winnings from House Racing	1,00,000
To General Expenses	1,50,000	By Rent From Sub-letting	20,000
To Conveyance	70,000	By Interest on Bank Deposits	10,000
To Rent	1,00,000	By Board Meeting Fees	38,000
To Fire Insurance Premium	27,000		
To Reserve for Doubtful Debts	20,000		
To Income Tax	15,000		
To Gift to Son	50,000		
To Depreciation	70,000		
To Net Profit	4,36,000		
<b>Total</b>	<b>11,98,000</b>	<b>Total</b>	<b>11,98,000</b>

Following further information has been provided :

- Depreciation allowable under Income Tax Rules is ₹50,000.
- General Expenses include ₹20,000 for gifts to staff and ₹30,000 for donation.
- He contributed ₹50,000 for maintenance of handicapped dependent. (Disability 90%)
- He paid ₹25,000 for interest on higher education loan.

OR

**Q.4.** Mrs. Smitha provides the following profit and Loss Account for the year ended 31-3-2019. Compute total taxable income of Mrs. Smitha for Assessment year 2019 – 20. (15)

**Profit and Loss Account for the year ended 31<sup>st</sup> March 2019**

Particular	₹	Particular	₹
To Salaries	76,000	By Gross Profit b/d	3,32,000
To Fire Insurance Premium	11,000	By Examination Fees	10,000
To Staff Welfare Expenses	18,000	By Royalty from Books	8,000

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To Postage and Telegram	3,000	By Honorarium	50,000
To Interest on Proprietors Capital	4,000		
To Travelling Expenses	37,000		
To Miscellaneous Expenses	21,000		
To Repairs and Maintenance	7,000		
To Donation	5,000		
To Advertisement Expenses	20,000		
To Reserve for Doubtful Debts	5,000		
To Depreciation	10,000		
To Sales Tax Paid	4,000		
To Advance Income Tax	3,000		
To Income Tax Paid	1,000		
To Net Profit	1,75,000		
<b>Total</b>	<b>4,00,000</b>	<b>Total</b>	<b>4,00,000</b>

Following further information has been provided :

- Depreciation as per Income Tax Rules is ₹25,000.
- Advertisement expenses include ₹10,000/- spent on advertising in a magazine published by a political party.
- Travelling expenses include personal expenses of ₹7,000.
- She is physically challenged (Disability 50%)
- She received ₹10,000 for Interest on Deposits in Savings Accounts.

**Q.5.** (a) Define and explain capital asset and business. (8)

(b) Explain the provisions U/S 6. (7)

OR

**Q.5.** Write a short note on (Any 3) (15)

(a) Any five terms exempt u/s 10.

(b) House Property deductions.

(c) Enumerate five incomes which are expressly disallowed while computing income from profits and gains of business or profession.

(d) Deductions U/S 80C and 80CCC.

(e) Perquisites.

