

NOV - 2017

UNIVERSITY PAPER

T.Y.B.B.I

SEM-V

NOV.-2017

TYBBI 5 sem

C0335 / C0406 AUDITING.

17/11/2017

Q.P. Code :00225

[Time:2 $\frac{1}{2}$ Hours]

[Total Marks:75]

Please check whether you have got the right question paper.
All questions are compulsory.

Q.1 Choose the correct option.

(08)

1. A person of similar standing is called _____.
a) Auditor b) Peer c) Professional d) CAG
2. Object of social audit is _____.
a) To appraise social contributions of a business
b) To appraise society
c) To examine financial record.
d) None to these.
3. Dividend can be paid out of profits _____.
a) After depreciation but before tax
b) Before depreciation
c) Before tax
d) After tax & depreciation
- 4) The auditor has to inform the registrar about his acceptance of the appointment within _____.
a) 10 days b) 20 days c) 30 days d) 60 days
5. Public sector banks are regulated & controlled by _____.
a) Reserve bank of India b) NABARD c) Regional Rural Bank d) co-operative Bank
6. _____ helps an auditor to conduct an audit in an effective, efficient & timely manner.
a) Accounting b) Internal control c) Internal check d) Planning.
7. LFAR is mandatory for _____.
a) Limited companies b) Insurance companies c) Banking companies d) Non- profit organization.
8. Test checking is _____.
a) Checking transactions which are listed
b) Checking vouchers only
c) Checking cash memos only.
d) Checking select transactions.

Q.P. Code :00225

Q.1 b) State whether following statements are True or False.

1. Management audit is done to assess correctness of taxable profit.
2. Protection of interest of management is the function of SEBI.
3. Private companies are excluded in calculation of ceiling on number of audits of an auditor.
4. Auditor can give qualified certificate.
5. A chartered accountant can get the clients by advertising.
6. Auditors has a right to receive notice of Annual General Meeting.
7. Corporate Governance is necessary to avoid scams.

Q.2 a) What is Verification? How to verify plant & machinery?

(08)

b) Distinguish between Internal check & Internal control.

(07)

OR

Q.2 c) What is auditing? What are the basis principles of auditing?

(08)

d) Write a note on 'Tax audit'.

(07)

Q.3 a) What are the liabilities of a company auditor?

(08)

b) Write a note on Segment Reporting.

(07)

OR

Q.3 c) What are the provision of law about removal & remuneration of company auditor?

(08)

d) What is Audit Report? What are the difference between Qualified Report & Unqualified Report?

(07)

Q.4 a) Explain the classification & provisions in respect of Non-performing assets of a bank.

(08)

b) Explain the role of Department of company affairs in regulation of management of companies.

(07)

OR

Q.4 c) Explain the role of regulatory authority in case of insurance companies.

(08)

d) Explain the audit procedure to be followed for the verification of claims paid by insurance company.

(07)

Q.5 a) Write a note on Energy audit.

(08)

b) Discuss Auditors independence.

(07)

OR

Q.5 c) What is audit committee? Explain its importance.

(08)

d) What is Environments Audit? Explain its benefits.

(07)

Q.P. Code :01502

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory.
2. Figures to the right indicate full marks.

Q.1 A) State and explain the benefits marketing. (08)

B) Define services. How are services classified? (07)

OR

Q.1 C) What are the factors influencing choice of location? (08)

D) Explain the 7 Ps of Marketing Mix in Banking and Insurance sector. (07)

Q.2 A) Discuss the direct & indirect marketing channels. (08)

B) What is marketing research? Explain its features. (07)

OR

Q.2 Discuss the process of marketing research. (15)

Q.3 A) What are the different types of buying behaviors? (08)

B) Explain the importance of personnel in services. (07)

OR

Q.3 C) Discuss the dimensions of service quality with examples. (08)

D) Explain 'The Gaps model of service quality'. (07)

Q.4 A) What are the various factors affecting brand image? (08)

B) Explain the benefits of Integrated Marketing Communication. (IMC) (07)

OR

C) Write a note on social marketing. (08)

D) Discuss the reasons for the recent growth in rural marketing. (07)

Q.5 Write short notes (Any 3) (15)

A) Sales Research

B) Customers Conscious Employees

C) Brand Image

D) E-Commerce - Types

E) Goods V/S Services.

Q.P. Code :00076

[Time: 2 $\frac{1}{2}$ HOURS]

[Total Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory
2. Figures to the right indicate full marks

- Q.1 Explain the following terms/concepts: (Any 5) (15)
- Close Ended Mutual Fund
 - Financial Engineering
 - Commercial Bank
 - Cost Center
 - Forwards
 - NSDL
 - Loan Syndication
- Q.2 A) What do you mean by Financial Innovation? Discuss the causes of Financial Innovation. (08)
- B) "The scope for merchant banking is great in India" - Discuss. (07)
- OR (08)
- Q.2 C) Define 'Leasing'. Explain its types. (08)
- D) Discuss the challenges faced by the financial service sector in India. (07)
- Q.3 A) Define 'Factoring'. Explain its types. (08)
- B) Distinguish between leasing and hire purchase. (07)
- OR (08)
- Q.3 C) Explain Mutual Fund and discuss its importance. (08)
- D) What is Forfeiting? Explain its mechanism. (07)
- Q.4 A) What is Securitization? Explain the cause for unpopularity of Securitization. (08)
- B) Explain the various types of financial derivatives. (07)
- OR (08)
- Q.4 C) Explain Options and its features. (08)
- D) Define Credit Rating. Explain any two credit rating agencies in India. (07)
- Q.5 A) Explain the modus operandi of Securitization. (08)
- B) Define 'Treasury Management' and explain its functions. (07)
- OR (08)
- Q.5 C) Highlight the key features of Depository system in India. (08)
- D) Explain the difference between Pledge and Hypothecation. (07)

Q.P. Code : 00000103

[Marks:75]

[Time: 2 $\frac{1}{2}$ Hours]

- Please check whether you have got the right question paper.
- N.B: 1. All questions are compulsory
2. Figures to the right indicate full marks.

- Q.1 A) What do you mean by International Bank? Explain its features. (8)
- B) What is Capital Account Convertibility? Bring out its merits and demerits. (7)
- OR (8)
- C) Write a detailed note on World Bank. (7)
- D) Discuss the various guarantees issued by the banks for the project export. (8)
- Q.2 A) What do you understand by FDI? Discuss its advantages and disadvantages. (7)
- B) Distinguish between ADR and GDR. (8)
- OR (8)
- C) Discuss the various methods of making payment in International market. (7)
- D) Explain in brief the characteristics and functions of Offshore Financial Centers. (8)
- Q.3 A) Discuss in detail the concept of Non-Performing Asset. (7)
- B) What are the different risks involved in International Lending? (8)
- OR (8)
- C) What is Eurobond? Explain its features. (7)
- D) Bring out in detail the need and function of Asset Liability Management.

Q.P. Code : 00000103

Q. 4 A) Explain the need for International Financial Architecture in the light of economic crisis. (8)

B) Discuss different factors affecting Foreign Exchange rates. (7)

OR

C) Calculate the Rate of following currencies against Indian rupees. (8)

	Bid	Ask
1 USD INR	60.3000	60.4000
1 GBP USD	1.8100	1.8110
1 EUR USD	1.2050	1.2060
1 USD JPY	113.80	113.90
1 USD CHF	1.2970	1.2980

D) Calculate forward rate of Dollar to Rupee (7)
Spot Rupee against Dollar = Rs.60.6010/60.6050

Dollar to Rupee	Swap Point
1 Month	2000/2100
2 Months	2200/2300
3 Months	2400/2500
4 Months	2600/2700

Q. 5 Write short notes on any three out of five. (15)

- Gold Standard System
- NEFT
- Pre-shipment Finance
- Capital Adequacy Ratio
- Balance of Payment

Q.P. Code :00976

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. Attempt all questions.
 2. Figures to the right indicate full marks.
 3. Working note should be part of answer.
 4. Use of simple calculator is allowed.

Q.1 Select Appropriate option & re-write the statement.

(08)

- 1) Schedule 9 in Bank Final Account includes _____.
a) Advances (b) Deposits
2. Interest on Deposits is shown by the Bank in _____.
a) Schedule of interest Earned (b) Schedule of Interest Expended
3. _____ is a Current Asset.
a) Share Issue Expenses (b) Bills Receivable
4. Issue of Equity shares is _____.
a) Cash Inflow from Financing Activity
b) Cash Inflow from investing Activity
5. The Schedule VI is divided into _____ parts.
a) Three (b) Two
6. A Provision for Loss Asset = _____.
a) 100% (b) 30%
7. Standard Current Ratio = _____.
a) 1:1 (b) 2:1
8. Return on Equity = ____/____.
a) NPAT/ Proprietor's Fund (b) EBIT/ capital Employed

Q.1 b) Match the pairs

(07)

	A		B
a)	Borrowings	a)	Solvency Ratio
b)	Investments	b)	Contingent Liabilities
c)	Debentures	c)	Schedule 8
d)	Statutory Reserve	d)	Secured Loans
e)	Partly paid Investments	e)	Efficiency Ratio
f)	Proprietary Ratio	f)	Schedule 4
g)	Stock Turnover Ratio	g)	Reserves and Surplus

Q.P. Code :00976

- Q.2 The following details are pertaining to Mahindra Bank Ltd. as on 31st March, 2017. You are required to prepare Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as on that date. (15)

Particulars	Rs. (Dr.)	Rs. (Cr.)
Share Capital (Rs.10 each)		70,00,000
Statutory Reserve		30,00,000
Loans, Cash Credit and Overdraft	31,00,000	
Premises	50,00,000	
Furniture	10,70,000	
Investment	20,00,000	
Fixed Deposit		20,00,000
Savings Deposit		22,00,000
Current Deposit		5,00,000
Interest Expenses on Deposits	2,00,000	
Salaries and Allowances	2,40,000	
Other General Expenses	20,000	
Rent and Rates	80,000	
Director's Fees	2,20,000	
Reserve Fund		10,00,000
Interest and Discount Earned		15,50,000
Printing and Stationary	80,000	
Bills Purchased and Discounted	30,20,000	
Interim Dividend	1,20,000	
Investment in Shares	80,000	
Cash in Hand	2,00,000	
Cash with RBI	8,20,000	
Money at call and Short Notice	11,50,000	
Borrowings from Banks		1,50,000
	1,74,00,000	1,74,00,000

Other Information :-

- Authorized Capital was Rs.80,00,000 Equity Shares of Rs.10 each.
- Unexpired discount amounted to Rs.50,000.
- Provision for Tax is Rs.1,00,000
- Endorsements on behalf of customers were Rs.11,00,000.
- Transfer to Statutory Reserve 25% of profit

OR

Q.2 Write short note on:-

- Rebate on bills discounted
- Acceptance, endorsements and other obligations
- Inter office Adjustments

(15)

Share Capital (Rs. 10 each)
Statutory Reserve
Loans, Cash Credit and Overdraft
Premises
Furniture
Investment
Fixed Deposit
Savings Deposit
Current Deposit
Wages Expenses on Deposits

Profit & Loss A/c	50,000	50,000	Land	2,70,000	2,70,000
Goods Received	60,000	75,000	Building	1,20,000	90,000

a. Part of Machinery was sold for Rs. 15,000 at a loss of Rs. 4,000.

Prepare Cash Flow Statement as per AS-3

OR

Q.P. Code :00976

OR

Q.4 Explain the following provision of Revised Schedule VI of the Companies Act as regards to : (15)

- Share Capital
- Long Term Borrowing
- Non-Current Investment

Q.5 Following are the summarized Balance Sheet of Soham Ltd. as on 31st March, 2015 and 31st March, 2016. (15)

Balance sheet

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Share Capital	2,00,000	2,50,000	Bank	35,000	16,000
12% Debentures	1,00,000	80,000	Stock	40,000	75,000
10% Pref. Shares Capital	50,000	80,000	Debtors	90,000	1,50,000
Bank Loan	70,000	1,10,000	Machinery	75,000	60,000
Reserves	20,000	25,000	Furniture	10,000	8,000
Profit & Loss A/c	50,000	60,000	Land	1,70,000	2,80,000
Sundry Creditors	60,000	75,000	Building	1,40,000	99,000
Bills Payable	40,000	33,000	Goodwill	30,000	25,000
	5,90,000	7,13,000		5,90,000	7,13,000

Other Information:

- During the year part of the Building was sold at book-value.
 - During 2016 Interim Dividend was paid Rs.10,000 & Income Tax was paid Rs.5,000.
 - Depreciation charged during 2016 was Rs.4,000 on Furniture, Rs.12,000 on Machinery and Rs. 20,000 on Building
 - Part of Machinery was sold for Rs.15,000 at a loss of Rs.4,000.
- Prepare Cash Flow Statement as per AS-3

OR

Q.P. Code :00976

Q.5 Complete the following Balance sheet As on 31st March, 2016

(15)

Liabilities	(Rs.)	Assets	(Rs.)
Share Capital	3,00,000	Fixed Assets	?
Retained Earning	3,00,000	<u>Current Assets:</u>	
Creditors	?	Stock	?
		Debtors	?
		Cash/Bank	?
	?		?

Other Information:-

1. Total Creditors are 2/3 of Net Worth
2. Total Turnover for the period is Rs.18,00,000.
3. 30 days sales are in the form of Debtors. (Assume 360 days in a year)
4. Stock turnover ratio 5 times
5. Cost of Goods sold is Rs.9,00,000
6. Acid test Ratio is 1:1
7. Total Assets Turnover (Turnover/Total Assets) - 1.8

Q.P. Code :00446

[Time: 2:30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

N.B: 1. Question.No.1 is compulsory.

- Q.1 A] State True or False (08)**
- A. Fundamental analysis believes that stock movement is 10% psychological and 90% logical.
 - B. Joint stock company stock financing is done by issuing shares.
 - C. Nifty's base period is 1995.
 - D. Net worth means equity capital + reserves and surplus.
 - E. The relationship between stocks, returns & market index structures is called beta.
 - F. Purchasing power risk is part of systematic risk.
 - G. A no growth company will have 100% payout ratio.
 - H. The object of portfolio is to reduce uncertainties by diversifications.

Q.1 B] Match the following columns (07)

	Group A		Group B
1.	Instrument	A.	Possibility of loss
2.	Risk	B.	Return
3.	Ready delivery	C.	Future date
4.	Forward delivery	D.	Fixed time
5.	SEBI	E.	treasury Bills
6.	Government securities	F.	1988
7.	Return	G.	Profit on Goods
		H.	Profit on Capital invested

Q.2 A] Explain any 5 investment alternatives. (08)

B] Explain objective of investment. (07)

OR

Q.2 A] Explain objective of SEBI. (08)

B] Explain benefit of NSE to investors. (07)

Q.3 A] Yuvraj Ltd. Has offered a scheme of investment when a person investing Rs.4, 000 presently is entitled to returns of Rs.1, 000, Rs.1, 500, Rs.1, 200, Rs.1, 100 & Rs.400 in next five years. The indicated rate of return is 10% p.a. Advise whether the investment is profitable. (08)

B] Sakshi Ltd. Paid Rs, 2.50 as dividend per share on its equity shares for the year ended 31st march 2017. Dividend are expected to grow at 10% p.a. The incurrent market price of share is Rs. 20. (07)

1. Calculate expected Return?
2. If required rate of return is 12%. What would be the value of stock?
3. Is it worth investing in the shares.

OR

Q.P. Code :00446

- Q.3 A] Dr. Shah purchased 400 shares of Sundan Ltd. @ 61 each on 15th October 2013. He paid brokerage of Rs.600. The company paid following dividends. (08)
- June 2014 Rs. 800
June 2015 Rs. 1000
June 2016 Rs. 1,200.
- He sold all his holding for Rs.34,500 (net) on 15th Oct 2016
1. What is holding period return?
 2. What is Annualized return?
 3. Is Mr. Shah a good investor?

- B] A bond of 1,000 has a coupon rate of 8% p.a. and maturity period 3 years. The bond is currently selling at Rs.910/- What is yield to maturity in investment of the bond. (07)

- Q.4 The capital of Rohit Ltd consist of Equity shares @10 each Rs. 8, 00,000. 9% preference shares of Rs.10 each 3, 00,000. The Net profit after Tax is 2, 70,000. Equity dividend is 20% and market price per equity share is Rs.40. You are required to calculate following ratio. (15)
- Dividend yield
 - Preference Dividend Cover
 - Equity Dividend Cover
 - Earning per Share
 - Price Earning Ratio

OR

- Q.4 A] Distinguish between fundamental Analysis & Technical Analysis. (08)
- B] What is financial Ratio? Explain benefits. (07)
- Q.5 A] Discuss capital market line [CML] with diagram. (08)
- B] "Investors always concern regarding risk" comment in detail. (07)

OR

- Q.5 Compute the beta factor & expected Return using CAPM for Kapil Ltd. & Tendulkar Ltd. (15)
- Considering return on government securities 9%.

Year	Kapil Ltd	Tendulkar Ltd	Market
1	20	16	14
2	22	18	16
3	20	20	18
4	18	18	12