

Sem-VI

April-2018

6 BACHELOR OF COMMERCE (B.COM.)(CBSGS)(75:25)SEM VI / C0185 FINANCIAL ACCOUNTING & AUDITING : PAPER X AUDIT

Auditing

Q.P. Code :32395

[Time: 2½ Hours]

[Marks: 75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Question No.2 to 5 have internal options.
 3. Figures to the right indicate full marks.

Q.1 A) Rewrite the complete sentence and state whether it is true or false (Any Eight) 08

1. Planning helps the auditors to devote appropriate attention to important areas of the audit.
2. Audit programme provide clear cut instructions to the audit staff in carrying out the work.
3. Repairs to furniture is debited to furniture account is an error of principle.
4. Size of sample depends on effectiveness of an internal control system.
5. Routine checking is highly mechanical process.
6. The purpose of internal control is to safeguard the assets of organization.
7. Vouching means examination of documentary evidence.
8. Debit notes are issued when goods are returned to suppliers.
9. Audit programme should be flexible.
10. Preparation of audit plan is brain storming exercise.

B) Match the following items in column 'A' with most appropriate item in column 'B' and rewrite :- (Any seven) 07

Column 'A'	Column 'B'
1. Audit note book	• Journals
2. Accountancy	• Balance sheet & profit and loss account
3. Financial statement	• Available for future reference
4. External report	• Preparation of final statements
5. Teeming & lading	• To know existence of assets
6. Fraud	• Obtained information of client business
7. Verification	• A technique of fraud
8. Permanent audit file	• Intentional mistake
9. Principle of integrity	• Audit of less than 100% of items
10. Audit sampling	• Auditors should be honest in his profession

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- Q.2 a) Define the term 'Auditing.' Briefly explain the principles of Auditing. 08
b) What is 'secret reserve'? Explain the objections against secret reserve. 07
- OR
- c) Briefly explain the Auditor's duties regarding frauds & errors. 08
d) State the different instances of misappropriation of goods. 07
- Q.3 a) What preparation is necessary by the client before commencement of audit work? 08
b) What is 'Audit Programme'? Explain the advantages of an 'Audit Programme' 07
- OR
- c) Define audit sampling. Explain the factors which are to be considered while selecting the sample size. 08
d) What is 'Current Audit File'? State the contents of a 'Current Audit File' 07
- Q.4 a) State the meaning of the 'Routine checking' Describe the disadvantages of 'Routine Checking'. 08
b) How would you vouch 'Advertisement Expenses'? 07
- OR
- c) What is 'Test check'? Explain advantages of test checking. 08
d) What should be the main features of internal control as regards to 'Credit purchases'? 07
- Q.5 a) How would you vouch, 'Rent Income'? 08
b) How would you verify, 'Accounts receivable'? 07
- OR
- Q.5 Write short note on the following : (Any three) 15
1. Window dressing
 2. True & fair view
 3. Overall audit plan
 4. Independence of an auditor
 5. Audit working papers.

Q.P. Code : 32703

[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 allotted to the question.
 3. Working Notes should form the part of your answer.
 4. Calculate figures upto two decimal points wherever required.

- 1 a) Select the most appropriate option and rewrite the full sentence. (Any 8) (08)
- 1) The difference between actual quantity and standard quantity, multiplied by standard price is the _____.
 - Labour rate variance
 - Labour efficiency variance
 - Material usage variance
 - Material price variance
 - 2) Profit remaining as reserve is _____.
 - Transferred to profit and loss A/c
 - Deducted from W.I.P.
 - Not taken into account in cost
 - Debited to cost price of contract
 - 3) Process output is 25,000 units, Normal loss 3,000 units, Abnormal loss is 2,000 units. The input is _____ units.
 - 20,000
 - 15,000
 - 30,000
 - None of the above
 - 4) Cost drivers for customer order processing are _____.
 - Order quantity
 - Order Source
 - Order value
 - All of the above
 - 5) Profit volume ratio of company is 40%, while its margin of safety is 40%, if sales volume of the company is Rs. 25,00,000, profit is Rs. _____.
 - 6,00,000
 - 15,00,000
 - 10,00,000
 - 4,00,000
 - 6) Normal output is equal to _____.
 - Input-Normal Loss
 - Input-Abnormal Loss
 - Input-Abnormal Gain
 - None of these

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- 7) Work certified is below 25% of the contract price, the transfer to profit and loss will be ____.
- $\frac{1}{3}$ of Notional profits x $\frac{\text{Cash Received}}{\text{Work Certified}}$
 - $\frac{2}{3}$ of Notional Profit x $\frac{\text{Cash Received}}{\text{Work Certified}}$
 - 100% Notional Profit
 - NIL
- 8) Cost allocation basis in Activity Based Costing should be ____.
- Cost Pool
 - Resources
 - Activity Centres
 - Cost Drivers
- 9) Process costing is applicable to ____.
- Repair work
 - Paper Industry
 - Transport company
 - None of these
- 10) The balance of work in process account is equal to ____.
- The total manufacturing cost incurred during the period
 - The total cost of the incomplete job
 - The total cost of the jobs completed and sold
 - The total cost of the jobs completed

B) State whether the following statements are True or False (Any 7)

(07)

- 1) Indirect labour is debited to work-in-progress control account.
- 2) P/V ratio is improved by decreasing fixed cost.
- 3) Unit level cost occur once for each unit produced.
- 4) Material returned to stores is credited to contract account.
- 5) Material Transfer Note is a document which records the return of unused materials.
- 6) Sales value of Joint product is significant.
- 7) Contract costing is a technique of cost accounting.
- 8) When margin of safety decreases, then variable cost increases.
- 9) Cost ledger contains all impersonal accounts.
- 10) Life cycle costing is particularly important when there are significant non-production cost.

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- 2 Vivek Industries Ltd. is manufacturing a product which passes through three consecutive processes i.e. Process X, Y and Z. The following figures have been taken from their books for the year ended 31st March, 2018 (15)

Particulars	Process X	Process Y	Process Z
Basic Raw Materials introduced (Units)	5,000	-----	-----
Rate of Basic Raw Materials per unit (Rs.)	400	-----	-----
Output during the year (Units)	4,250	3,750	3,250
Normal Loss (% on units introduced in each process)	10%	20%	15%
Scrap value per unit (Rs)	100	150	200
Process Stock:			
Opening (units)	750	1000	750
Closing (units)	500	750	500
Value of Opening Stock per unit (Rs)	550	850	1200
Materials (Rs)	4,00,000	3,63,500	4,71,000
Wages (Rs)	1,62,500	1,87,500	2,04,500
Manufacturing Overheads (Rs)	1,42,500	1,63,000	1,06,500

Closing stock is to be valued at respective cost of each process.

You are required to prepare: a) Process Accounts b) Process Stock Accounts

OR

- 2 Chitra Ltd Manufactures a chemical product which passes through three processes. The cost record show the following particulars for the year ended 30th June, 2017. (15)

Input to process I – 40,000 units @ Rs. 28 per unit.

Particulars	Process I (Rs)	Process II (Rs)	Process III (Rs)
Material	97,240	2,16,518	2,06,690
Labour	65,730	1,69,106	1,54,360
Factory overhead	5,030	21,176	32,550
Normal Loss (% of unit introduced in each process)	20%	15%	10%
Scrap value per unit (Rs.)	1	2	3
Actual output during the year (units)	36,000	32,000	30,000

Prepare Process Accounts, Abnormal Gain/Loss Account. Also show process cost per unit for each process.

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- 3 Mohan Infrastructure Ltd. commenced a contract on 1st April 2016. The total contract price was for Rs. 25,00,000 and it is likely to be completed on 31st December 2017. The actual expenditure upto 31st March 2017 & subsequent estimated expenditure upto 31st December 2017 are as given below. (15)

Particulars	Actual Expenditure upto 31-3-2017 (Rs)	Estimate Expenditure Form 1-4-2017 to 31-12-2017 (Rs)
Materials issued	4,00,000	5,50,000
Labour Paid	4,20,000	2,60,000
Plant purchased	3,00,000	-----
Expenses paid	75,000	1,50,000
Expenses prepaid at end of the year	20,000	-----
Plant returned to stores (Original Cost)	1,00,000	2,00,000
Materials at site	20,000	50,000
Work certified	20,00,000	Full
Work uncertified	25,000	-----
Cash Received	16,00,000	Full

The plant is subject to annual depreciation @ 25% of original cost. It was decided that profit to be taken credit for should be that portion of the estimated net profit to be realized on completion of the contract which the certified value of work as on 31st March, 2017 bears to the total contract price.

Prepare Contract account for the year ended 31st March, 2017 and show your calculation of profit to be credited to the Profit & Loss Account for the year ended 31st March 2017.

OR

- 3 A firm of contractors commenced three contract viz. 'M', 'N', 'P' on 1st April, 2016, on 1st October, 2016 and on 1st January, 2017 respectively. The following particulars about above three contracts are obtained for the ended 31st March, 2017. (15)

Particulars	Contract 'M' (Rs)	Contract 'N' (Rs)	Contract 'P' (Rs)
Contract Price	12,00,000	3,75,000	3,75,000
Materials Issued	2,16,000	87,000	30,000
Direct Expenses paid	15,600	5,400	2,100
Wages paid	3,30,000	1,68,600	21,000
Direct Expenses Prepaid	1,800	600	300
Plant Installed	60,000	24,000	18,000
Materials at site at end of the year	12,000	6,000	3,000
Work Certified (% of contract Price)	50%	64%	14.4%
Cash Received (% of work certified)	75%	75%	75%
Work Uncertified	18,000	12,000	3,150
Wages outstanding	10,200	5,400	2,400

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The plant are installed on respective dates of the contracts and depreciation is to be provided at 10% p.a.

Prepare Contract M, N, and P Accounts and show the calculation of profit or loss transferred to Profit and Loss Account.

- 4 Following are the balances in cost ledger of a manufacturing company on 1st April, 2016. (15)

	Debit (Rs)	Credit (Rs)
Store Ledger Control A/c	6,000	
Work-in-Progress ledger control A/c	9,000	
Finished Stock Ledger Control A/c	14,000	
Cost Ledger Control A/c		29,000

Transactions of the year ended 31-03-2017

	(Rs)
Materials Purchases	66,000
Materials issued to as: Direct materials	45,000
Indirect materials	12,000
Wages paid allocated as: Direct cost	27,000
Indirect Cost	9,000
Production expenses	10,800
Administration expenses	24,000
Selling expenses	18,000
Value of finished goods produced	1,08,000
Closing stock of Finished goods	12,000
Sales	1,80,000

Prepare:

- 1) Cost Ledger Control A/c
- 2) Store Ledger Control A/c
- 3) Work-In-Progress Ledger Control A/c
- 4) Finished Goods Ledger Control A/c
- 5) Factory Overhead Control A/c
- 6) Costing P&L A/c

OR

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4 A) From the following information, calculate: (08)

- 1) Profit Volume Ratio
- 2) Sales and marginal cost of sales
- 3) New B.E.P. in units & in Rs. If selling price is reduced by 10%
- 4) Profit at sales Rs 60,000

Fixed Cost	Rs. 8,000
Break even sales	Rs. 40,000
Profit	Rs. 2,000
Selling price	Rs. 40 per unit

B) From the following information, Calculate: (07)

- i. Material Cost Variance
- ii. Material Price Variance
- iii. Material Usage Variance

Materials	Standard		Actual	
	Units	Price P.U.	Units	Price P.U.
A	300	Rs. 3	320	Rs. 4.00
B	400	Rs. 5	480	Rs. 4.50
C	500	Rs. 4	420	Rs. 5.00

5 a) What are the advantages of marginal costing? (08)

b) Distinguish between Joint Product and By-Product. (07)

OR

5 Write short notes on **any three** of the following. (15)

- a) Activity Based Costing
- b) P/V Ratio
- c) Abnormal Loss
- d) Stores Ledger control Account
- e) Work Certified.

T.Y. B.COM DIT 10/04/2018

QP Code : 31209

[2½ Hours]

[Total Marks : 75]

N.B : All questions are **compulsory** and carry 15 marks each.

1. (a) Rewrite following statements and state whether they are True or False as per the Provisions service tax laws. (**any eight**): 8

- Service Tax is a tax on taxable services.
- Service Tax is levied by the Central Government.
- All declared services are taxable.
- Service tax was introduced with effect from 1 July, 1994.
- Service tax extends to whole of India except Jammu Kashmir.
- Service means any activity carried out by a person for another for consideration.
- Cord blood banking for preservation of stem cell exempt from service tax.
- Return of service tax is filed in Form ST-3.
- Point of Taxation Rules were introduced with effect from April, 2011.
- A license to use software is a taxable service.

(b) Re-write the following statements by selecting the correct option as per provisions of the Maharashtra Value Added Tax Act, 2002. 7

1. Sales does not include _____.
 - Sale of scrap
 - Pledge of goods
 - Sale of car held as business asset
2. Sales turnover for the purpose of registration includes _____,
 - Sale of taxable goods
 - Sale of Tax-free goods
 - Both the above.
3. Composition scheme can be availed by _____.
 - A manufacturer
 - An importer
 - A retailer
4. A product is sold at basic of ₹140 per unit. Excise duty thereon is ₹10 per unit. Packing material charges is ₹10 per unit and MVAT is ₹10 per unit. The sale price liable for MVAT is _____ per unit.
 - ₹140
 - ₹160
 - ₹150

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5. Niravi & Co. purchased schedule B goods from registered dealer for ₹50,000 and sold them for ₹80,000 (both excluding tax) the net MVAT payable will be.
- ₹300
 - ₹500
 - ₹800
6. A Retailer who opted for composition scheme has sales of ₹26,00,000 of both taxable goods and tax free goods. His purchases from registered dealer are ₹17,00,000. The tax payable under composition scheme is _____.
- ₹17,000
 - ₹9,000
 - ₹26,000
7. Set-off can be claimed on purchase of goods debited to _____.
- Trading A/c
 - Profit and Loss Account
 - Both the above
8. Gross sales turnover for the purpose of Registration for an importer should be more than.
- ₹10,000
 - ₹1,00,000
 - ₹10,00,000
9. Mr. Jagdish Nagarkar from Ahmednagar (Maharashtra) purchased goods for ₹27400 (inclusive CST of ₹400) from Mr. Kuril from Delhi. He sold these goods to Mr. Rajesh of Mumbai for ₹34,875 (inclusive of VAT @ 12.5%) the VAT payable is
- ₹3,875
 - ₹4,359
 - ₹934
10. A second hand car dealer buys a vehicle for ₹2,00,000 and sells the same for ₹3,00,000. The tax payable under composition scheme is _____.
- ₹5,625
 - ₹25,000
 - ₹37,500

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2. From the following information for May, 2017, supplied by Mr. Kailash. Classify the services as taxable or taxfree and compute the taxable value of services for the month of May 2017. (Ignore threshold limit, All amounts are excluding service tax). 15

Sr. No.	Particulars	₹
1.	Charges received for renting of computers	1,00,000
2.	Amount received on consultancy services in networking	2,00,000
3.	Amount received on technical assistance in software	3,00,000
4.	Amount received for acting as a business facilitator of a banking company	4,00,000
5.	Amount received for professional advice to a friend	5,00,000
6.	Sale of software packages	1,50,000
7.	Salary received from an employer	10,00,000
8.	Amount received on withdrawal of bank fixed deposit	2,00,000
9.	Amount received for supply of farm labour	50,000
10.	Amount received for temporary use of copyright	1,50,000
11.	Amount received for hire of car with a driver	6,00,000
12.	Amount received for placement services	7,00,000
13.	Amount received for development & design of software	8,00,000
14.	Amount received for event management services	9,00,000

OR

2. From the following information for April, 2017, supplied by Mr. Vinit, classify the services as taxable or taxfree and compute the taxable value of service for the month of April, 2017 (Ignore threshold limit, All amounts are given excluding service tax). 15

Sr. No.	Particulars	₹
1.	Warehousing charges received for refined vegetable oil	8,00,000
2.	Hire charges received for hiring of trucks for transport of minerals	7,00,000
3.	Amount received from leasing of vacant land for rearing of horse races	6,00,000
4.	Amount received from renting of farm house for marriage parties	5,00,000
5.	Rent received for a building let out to the RBI	4,00,000
6.	Amount received for agricultural testing services	50,000
7.	Charges received for testing of soil & farm land	40,000

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8.	Value of services provided free of cost	60,000
9.	Remuneration received as a Member of Parliament	1,00,000
10.	Amount received for sale of agricultural products	80,000
11.	Commission received on sale of rice	3,00,000
12.	Amount received for packaging of pulses in retail packs	2,00,000
13.	Amount received for warehousing of potato chips	1,00,000
14.	Amount received for packing of Tomato Ketchup	50,000

3. Raghav, a registered dealer, gives following information as per provision of the Maharashtra Value Added Tax Act, 2002 for May, 2017. Calculate his tax liability for the month of May 2017. 15

Sr. No.	Particulars	Amount (₹)
1.	Sales (Excluding MVAT)	
	Schedule A Goods	47,000
	Schedule C Goods	3,25,000
	Schedule E Goods	4,25,000
	Sales – O M S – Schedule E Goods	59,000
	Export sales schedule E goods	2,10,000
2.	Purchases (Excluding MVAT)	
	Schedule A Goods	1,25,000
	Schedule C Goods	2,00,000
	Schedule E Goods	3,00,000
	O M S Purchases Schedule E Goods	1,50,000
	URD Purchases Schedule C Goods	40,000
	Motor cycles for Staff Schedule E Goods	3,20,000
	Consultancy charges paid	42,000
3.	MVAT Refund Receivable (opening balance)	5,000
	MVAT Refund Received in the month	2,500
4.	Tax Rates for Goods listed under	
	Schedule A = NIL	
	Schedule C = 5.5%	
	Schedule E = 12.5%	

OR

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3. Shriram, a registered dealer, gives following information. As per provisions of the 15 Maharashtra value Added Tax Act, 2002 for May, 2017, calculate his tax liability for the month of May 2017.

Sr. No.	Particulars	Amount (₹)
1.	Sales (Excluding MVAT)	
	Schedule A Goods	1,00,000
	Schedule C Goods	2,50,000
	Schedule E Goods	6,00,000
	Sales – O M S – Schedule E Goods	1,50,000
	Branch Transfer local schedule E goods	2,00,000
2.	Purchases (Excluding MVAT)	
	Schedule A Goods	1,00,000
	Schedule C Goods	1,25,000
	Schedule E Goods	4,00,000
	O M S Purchases Schedule E Goods	2,50,000
	URD Purchases Schedule C Goods	60,000
	Packing Material purchases schedule E goods	30,000
	Motor car purchased schedule E goods	5,00,000
3.	MVAT Refund Receivable (opening balance)	20,000
	MVAT Refund Received in the month	1,875
4.	Tax Rates for Goods listed under Schedule A = NIL Schedule C = 5.5% Schedule E = 12.5%	

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4. (a) Janaki started her business on 5 April, 2017. From the following information find out the date from which she will be liable for registration as per the provisions of Maharashtra Value Added Tax Act, 2002. 08

Date	Purchases		Sales	
	Within State		Within State	
	Taxable ₹	Tax free ₹	Taxable ₹	Tax free ₹
5 April 2017	4,000	1,45,000	4,000	15,000
7 April 2017	3,000	4,50,000	1,000	50,000
11 April 2017	2,000	4,10,000	2,000	5,00,000
16 April 2017	2,000	1,80,000	2,000	2,80,000
19 April 2017	3,000	45,000	2,000	2,90,000
23 April 2017	3,000	1,80,000	4,000	35,000

AND

4. (b) Determine the Point of Taxation in each of the following cases in with reference to the Point of Taxation Rules, 2011. 07

Sr. No.	Date of completion of service	Date of Invoice	Date of receipt of payment	Amount (₹)
1.	28.3.2017	22.4.2017	20.4.2017	5,00,000
2.	22.3.2017	12.4.2017	6.5.2017	6,00,000
3.	23.3.2017	13.4.2017	9.4.2017	70,000
4.	7.4.2017	2.5.2017	20.4.2017	8,00,000
5.	6.4.2017	1.5.2017	1.4.2017	9,00,000
6.	4.4.2017	27.4.2017	5.4.2017	10,00,000
7.	8.4.2017	28.4.2017	15.4.2017	11,00,000

OR

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4. (c) Compute 'Sale Price' chargeable to tax as per provisions of the Maharashtra Value Added Tax Act, 2002. 08

Particulars	Amount (₹)
Basic Sales Value (100 units @ ₹ 250 per unit)	25,000
Excise Duty @ ₹ 50 per unit	5,000
Packing charges	3,000
Transport charges	6,000
Installation charges seperately charged	12,000
Transit Insurance seperately charged	1,000
Maharashtra Value Added Tax	5,000

AND

4. (d) Mr. Suhas's service tax liability for October 2016 to March 2017 is given below. 07

Month	Service Tax payable (₹)
October 2016	4,00,000
November 2016	5,00,000
December 2016	6,00,000
January 2017	7,00,000
February 2017	8,00,000
March 2017	9,00,000

Find out :

1. Due dates of Online service tax payments.
2. Amounts to be paid for each period.
3. Due date of filing the service tax return for above period.
4. If the return is filed on 30th May, 2017, the amount of penalty.

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5. (a) State whether following activities are 'manufacturing activities' or not as per provisions of the Maharashtra Value Added Tax Act, 2002. (any four) 8
- Frying batata vada for household consumption
 - Processing of shrimps and prawns.
 - Producing vanaspati oil from groundnut oil.
 - Polishing of furniture
 - Repairing and removing leakage from old empty drums.
- (b) State exempt services u/s 66B of Chapter V of the Finance Act, 1994. 7

OR

5. Write short notes (any three) :- 15
- Business under the MVAT Act, 2002
 - Reduction in price for set-off
 - Payment of service tax
 - Registration under service tax laws
 - Sports services under service tax laws.

[TURN OVER

Sem - VI

April - 2018

Q.P. Code : 32369

[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.
 3. Draw neat and clear diagrams wherever necessary.

- Q. 1 Attempt **any two** of the following: (15)
- a) Explain Heckscher-Ohlin theory of international trade.
 - b) Discuss different types of terms of trade.
 - c) Explain the various gains from international trade.
- Q. 2 Attempt **any two** of the following: (15)
- a) Explain the causes of disequilibrium in the balance of payments.
 - b) Discuss India's Balance of Payments position since 1991.
 - c) Explain the agreements on TRIPS and TRIMS under WTO.
- Q. 3 Attempt **any two** of the following: (15)
- a) Explain the arguments for and against fixed exchange rate system.
 - b) State and explain spot and forward exchange rates with suitable examples.
 - c) Explain the concepts of Hedging and Speculation in foreign exchange market.
- Q. 4 Attempt **any two** of the following: (15)
- a) Explain the determination of foreign exchange rate with the help of demand for and supply of foreign exchange.
 - b) Critically evaluate the purchasing power parity theory.
 - c) Discuss the role of RBI in foreign exchange rate management since 1991.
- Q. 5 A) State with reasons, whether the following statements are true or false. (any four) (08)
- i) Factor intensity is measured in absolute terms.
 - ii) Reciprocal demand does not affect terms of trade.
 - iii) Balance of payments records only the payments made by a country to the rest of the world.
 - iv) A chronic and persistent long term disequilibrium is called 'Fundamental Disequilibrium'.
 - v) Under "free float" the central bank controls exchange rate.
 - vi) Flexible exchange rate leads to more speculation.
 - vii) Import of capital generates supply of foreign exchange.
 - viii) India has full convertibility of rupee on capital account.

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- B) Choose the correct answer and rewrite the sentences. (any seven) (07)**
- i) According to Ricardo, international trade is beneficial under _____.
- a) Absolute cost difference b) Comparative cost difference
c) Equal differences in cost d) None of the above
- ii) According to Heckscher – Ohlin theory, product price depends on _____.
- a) factor intensity b) factor abundance
c) factor cost d) All of the above
- iii) An offer curve _____.
- a) differs from an usual demand curve only
b) differs from an usual supply curve only
c) differs from both usual demand and supply curve
d) is like demand and supply curves
- iv) In the balance of payments external borrowing is treated as _____.
- a) autonomous flow b) accommodative flow
c) invisible flow d) none of the above
- v) _____ is not the cause of deficit in the balance of payments.
- a) Increase in imports b) Fall in exports c) Capital outflows d) Capital inflows
- vi) Under WTO agreement _____ is deals with trade in services.
- a) GATS b) TRIPS c) TRIMS d) All of the above
- vii) Under flexible exchange rate system, the exchange rate is determined by _____.
- a) the central bank b) the forex market
c) the government d) all of the above
- viii) Arbitrage in the foreign exchange market refers to _____.
- a) arbitrary exchange rate between the two markets.
b) purchase and sale of an asset for the same price
c) Purchase of currency in a low price market and its sale in a higher price market
d) none of the above
- ix) Under the “managed float” the Central Bank of a country intervenes to _____.
- a) purchase foreign exchange
b) sell foreign exchange
c) purchase and sell foreign exchange as per the requirement
d) none of the above
- x) LERMS was introduced in _____.
- a) 1991 b) 1980 c) 1992 d) 2000
- xi) Under Sterilized intervention policy, RBI will _____.
- a) Use OMO b) Purchase foreign currencies c) sell foreign currencies d) none of the above
- xii) A currency that is universally accepted is known as _____.
- a) nominal currency b) vehicle currency c) depreciated currency d) none of the above

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April-2011

(Time: 2 ½ Hours)

(Marks: 75)

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

1 Answer any two of the following:-

(15)

- (a) Explain the importance of Export Promotion Organisations.
(b) Discuss the role of IIFT in export marketing.
(c) What are the benefits enjoyed by SEZ?

2 Answer any two of the following:-

(15)

- (a) Discuss the features of Post-Shipment Finance.
(b) Discuss the role of commercial banks in export marketing.
(c) Write a note on ECGC.

3 Answer any two of the following:-

(15)

- (a) Explain the registration authorities with whom the exporter can register.
(b) Explain any four Quality Control and Inspection agencies.
(c) Describe the procedure of realization of export proceeds.

4 Answer any two of the following:-

(15)

- (a) Explain the importance of Certificate of Origin.
(b) Prepare a proforma of Commercial Invoice.
(c) Discuss the various incentives and schemes extended to the Indian exporters.

5 Answer the following:-

(15)

(a) State whether the following statements are True or False

- (i) MPEDA provides assistance in exporting of software services.
(ii) ICA is concerned with settlements of disputes related to export trade.
(iii) There is limited risk of bad debts in Payment in Advance method in export marketing.
(iv) Bill of lading is issued by the shipping company.
(v) Under ASIDE Scheme exporters can claim for the refund of customs duty paid.

(b) Give full form of the following:-

- (i) EHTP (ii) SIDBI
(iii) IIP (iv) FIEO (iv)GR

(c) Match the following:-**Group A**

- (i) ARE form
(ii) IRMAC
(iii) Agricultural Products exports
(iv) EPCG
(v) Mate's Receipt

Group B

- (a) Acknowledgement of goods on ship
(b) Product life cycle
(c) Excise Clearance
(d) Scheme for procuring raw material in bulk
(e) APEDA
(f) Import of Capital goods
(g) MDA

Financial Accounting

Sem - VI
Time: 2½ Hours

Q. P. Code : 31095

April - 2018

Total Marks : 75

- NB:**
- 1 All questions are **compulsory**
 - 2 **Figures** to the **right** indicate **full** marks
 - 3 Working notes should **form part** of your answers
 - 4 Use of simple calculator is **allowed**

Q1 A State whether the following statements are True or False. (Any 8) (08)

- 1) Goodwill is an intangible fixed asset which has a realizable value.
- 2) Super profit is the profit earned over and above the normal profit.
- 3) Accounts receivable is an example of monetary item.
- 4) Reporting currency is the currency used in presenting the financial statements.
- 5) Balance sheet of a Co-operative Housing Society is to be prepared in Form -N.
- 6) The partly paid shares can be bought back.
- 7) After buyback of shares, the Debt- Equity ratio should not exceed 1:2.
- 8) Carriage outward is allocated in Time ratio while calculating profits for the pre and post incorporation period
- 9) While calculating profits prior to incorporation, Preliminary expenses written off is a pre- incorporation expense
- 10) Entrance fees received from the members is shown as an income in Income and Expenditure account of the Co-operative Housing Society.

Q1 B Match the Columns (Any 7) (07)

Group A	Group B
1) Capitalised value of Super profit	Monetary item
2) Yield value method	Non- Monetary item
3) Transfer to Reserve Fund	Transfer to profit and loss account at the end of the year
4) Premium on transfer	Transferred to capital reserve
5) Buyback must be	To be allocated in Sales Ratio
6) Discount on Buyback of shares	To be allocated in Time Ratio
7) Stock	Market value method
8) Balance in Foreign Exchange Fluctuation A/c	Not to exceed Rs 25,000
9) Audit fees	25% of the surplus
10) Gross Profit	Authorised by the Articles of Association
	$\frac{100}{\text{NRR}} \times \text{Super profit}$

Q. P. Code : 31095

2. GR Pvt. Ltd. was incorporated on 1st August, 2016. This company agreed to take over business of S. R. & Co. as going concern with effect from 1st April, 2016.

The Profit and Loss Account for the year ended 31st March, 2017 is given below:

Particulars	Rs	Particulars	Rs
To Office Salaries	1,20,000	By Gross Profit	6,40,000
To Rent	22,500	By Share Transfer Fees	10,000
To Printing and Stationery	30,000		
To Electricity Charges	33,000		
To Advertisement	24,000		
To Salesman's Salaries	16,000		
To Bad Debts	8,000		
To Commission on Sales	40,000		
To Preliminary Expenses	5,000		
To Interest on Debentures	12,000		
To Interest on Purchase Consideration	10,000		
To Net Profit	3,29,500		
Total	6,50,000	Total	6,50,000

Additional Information:

1. Total Sales for the year amounted to Rs 16,00,000. Sales for pre incorporation period is Rs 6,00,000.
2. Rent upto 30th September 2016 was Rs 18,000 p.a. after which it was increased to Rs 27,000 p.a.
3. Purchase Consideration was paid on 30th August, 2016.

Prepare Profit and Loss A/c for the year ended 31st March 2017 in the columnar form appropriating all income and expenditure items between Pre-incorporation and Post-incorporation period on suitable basis.

(15)

OR

2. On 1/1/2017 PS Ltd., has imported goods from Canada based company S. R. & Co. worth Canadian(CA\$) 70,000\$ at an exchange rate of Rs 47 per CA\$.

The payments were made as follows:

Date	CA\$	Exchange Rate per CA\$
1/2/2017	20,000	Rs 52
1/3/2017	20,000	Rs 46
1/5/2017	30,000	Rs 51

The books of accounts are closed on 31st March. The Exchange Rate of 31/3/2017 was Rs 48 per CA\$.

Pass necessary Journal Entries in the books of PS Ltd. and Prepare Foreign Exchange Fluctuation A/C.

(15)

Q. P. Code : 31095

3. From the following trial balance as on 31.3.2017 of "Happy Home CHS Ltd.", prepare Income & Expenditure A/c for the year ended 31st March, 2017 and the Balance Sheet as on that date in the format required under Maharashtra Cooperative Societies Act.

Debit Balances	Rs	Credit Balances	Rs
Accounting Charges	9,500	Collection for Property Exp.	87,165
Accumulated Losses not w/off	1,61,213	Collection for Establishment Expenses	21,060
Audit Fees	1,250	Statutory Reserve Fund-opening	4,01,656
BMC Deposit for Water	3,550	Entrance Fees	2,700
MSEB Deposit	2,340	Interest- FD	46,166
Cash in Banks	4,50,500	Interest- SB	14,132
Cash on Hand	3,141	Outstanding Expenses	8,755
Water Pump	31,162	Subscribed Capital:	
Electricity Charges	15,313	1,000 shares of Rs.50 each	50,000
Dues from Members	73,187	Tower Rent	11,000
Insurance Charges	19,733	Property Tax refund payable to member	2,28,855
Subscription to Hsg. Fed	1,000		
Postage	3,153		
Property Taxes	10,312		
Repairs and Maintenance	55,142		
Salaries	8,300		
Conveyance	1,530		
Water Charges	21,163		
Total	8,71,489	Total	8,71,489

Additional Information:

1. Authorised Share Capital: 2,000 Shares of Rs 50 each
2. Pre-paid Insurance Rs 11,242
3. Charge depreciation @ 15% on Water Pump
4. Outstanding salary Rs 150
5. Tower Rent received in advance Rs 1,000.

(15)

OR

3. Ascertain the value of goodwill of IPL Ltd. carrying on textile business from the following Balance Sheet as on 31-3-2017:

Liabilities	Rs	Assets	Rs
3,750 equity shares of Rs 100 each fully paid	3,75,000	Goodwill	52,500
P&L A/c	90,000	Land & Buildings	1,50,000
Sundry Creditors	1,35,000	Plant & Machinery	1,40,000
Provision for Taxation	90,000	Stock	2,40,000
Bank Overdraft	30,000	Sundry Debtors	1,27,500
		Bank	10,000
Total	7,20,000	Total	7,20,000

The company commenced the operation in 2011. The profits earned for the last 5 years before providing for taxation are:

2013: Rs 93,000; 2014: Rs 97,500; 2015: Rs 1,05,000; 2016: Rs 1,25,000; 2017: Rs 1,52,500.

Assuming that income tax at the rate of 30% has been payable on these profits and 15% is the fair return on capital employed in such types of concerns, ascertain goodwill of the business by:

- a. Capitalization of average profits and
- b. How would your answer differ by capitalization of super profits.

Consider closing capital employed as average capital employed.

(15)

Q. P. Code : 31095

4. The following is the Balance Sheet of Seema Ltd. as on 31-3-2017:

Liabilities	Rs	Assets	Rs
Equity shares of Rs 10 each	12,00,000	Fixed Assets	40,00,000
10% redeemable preference shares of Rs 100 each	3,00,000	Investments	12,00,000
Profit & Loss Account	3,60,000	Stock	10,00,000
General Reserve	4,00,000	Debtors	5,50,000
Security Premium	2,40,000	Bank Balance	2,50,000
11% Debentures	20,00,000		
Bank Loan	16,00,000		
Sundry Creditors	9,00,000		
Total	70,00,000	Total	70,00,000

Keeping in mind all the legal requirements, ascertain the maximum number of shares that Seema Ltd. can buy back @ Rs 50 per share. Investments costing Rs 6,00,000 were sold for Rs 6,40,000. Pass necessary Journal entries to record the above transactions. (15)

OR

4A) Following information pertains to Vijay corporation.

2,00,000 12 % Preference Shares of Rs 10 each	Rs 20,00,000
5,00,000 Equity shares of Rs 10 each	Rs 50,00,000
Average annual profits before tax	Rs 40,00,000
Income Tax	30%
Transfer to Reserves	20%
Normal return in similar industry	25%

Mr. Kundan holds 2,000 equity shares of the company. He has requested you to value his shareholding on the basis of yield value of shares. (8)

4B) Varun Ltd. provides the following information as on 31st March, 2017:

Fixed Assets (Tangibles)	Rs 15,00,000
Current Assets	Rs 6,00,000
Patents Rights	Rs 2,50,000
Investments	Rs 1,00,000
Share issue expenses	Rs 50,000
External Liabilities	Rs 4,00,000

Share Capital of Varun Ltd. comprises of 12,500 equity shares of Rs 100 each.

It is ascertained that Patents Rights are valueless.

Ascertain the value of shares by asset backing method (7)

Q5A. What is buy-back of shares? Explain in brief the sources of buyback of shares (08)

Q5B. What are the basis of allocation of expenses and incomes for calculating pre and post incorporation profits/ loss? (07)

OR

Q5 Write short notes on (any three) (15)

- Income and Expenditure account of a Co-operative Housing Society
- Features of Goodwill
- Future Maintainable Profit (FMP)
- Intrinsic value method of valuing equity shares
- Monetary and non-monetary items as per AS-11.

Sem - VI

Q.P. Code :31280

April 2018

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

M.H.R.M

[Marks: 75]

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

- Q.1 Answer any two of the following** 15
- a) Define Human Resource Management. Explain the scope of Human Resource Management.
 - b) Explain the term Human Resource Planning Briefly explain the steps involved in Human Resource planning.
 - c) What is the meaning of Recruitment? Explain the external sources of recruitment.
- Q.2 Answer any two of the following** 15
- a) What is training? Explain the various on the Job methods of training.
 - b) Define performance Appraisal. What are the benefits of performance Appraisal.
 - c) Explain the meaning of Career planning & Development. Describe its importance.
- Q.3 Answer any two of the following** 15
- a) What is leadership? Explain different styles of leadership.
 - b) Explain theory X & Theory Y of motivation.
 - c) Explain the term Grievence. Briefly explain the procedure for redressal grievance.
- Q.4 Answer any two of the following** 15
- a) What is emotional Quotient? Explain the factors affecting emotional Quotient.
 - b) What is the meaning & importance of mentoring.
 - c) Explain workforce diversity & downsizing as two challenges before HR management.
- Q.5 A) Fill in the blanks by choosing the appropriate options given below.** 05
- i. _____ is a plan or a sketch of the job to be done.
 - a Job Design
 - b Job enlargement
 - c Performance
 - d Job Opportunity
 - ii. Employment tests facilities selection of _____ candidates.
 - a Competent
 - b Average
 - c Incompetent
 - d Below average
 - iii. Conference & seminars are _____ method of management development
 - a On the Job
 - b Effective
 - c Off the job
 - d ineffective

Q.P. Code :31280

iv. High employee _____ is a state of mind where the employee has high enthusiasms to work.

- a Motivation
- b leadership
- c Moral
- d all of the above

v. _____ is an exclusive one to one relationship

- a Mentoring
- b lecturing
- c team building s
- d none of the above

Q.5 B) State whether the following statements are true or false.

05

1. Human resource planning necessitates job analysis.
2. Motivation can be positive or negative.
3. The basic purpose of counseling is to assist the individual to make their own decision.
4. Human relation is not and inter disciplinary concept.
5. Human resource Accounting is compulsory in India.

C) Match the following

05

Group A		Group B
1 job description	a	developing skills and competences
2 HRD	b	Quantifying human resource in monetary terms.
3 Better human relation	c	Job title
4 Human resource Accounting	d	Ability to behave with compassion
5 Spiritual intelligence	e	Reduces absenteeism & labour turnover
