

Duration: 3 hours

Total marks: 100

N.B. 1. All questions are compulsory.

2. Figures to the right indicate full marks.

Q.1 (A) Select the most appropriate answer from the options given below: (Any Ten) 10

1. \_\_\_\_\_ is a process of estimating future manpower needs of an organization.  
a) Human Resource Accounting      b) Human Resource Planning  
c) Human Resource Development      d) Placement
2. \_\_\_\_\_ is a summary of human qualities required to perform the job effectively.  
a) Job Description      b) Job Specification  
c) Job Rotation      d) Job Enrichment
3. \_\_\_\_\_ is a prescribed format of the company to obtain information about every candidate applying for the job.  
a) Application Format      b) Application Sheet  
c) Application Form      d) Application Blank
4. \_\_\_\_\_ method of Performance Appraisal is conducted by various parties.  
a) Role Analysis      b) Check List  
c) Management by Objectives      d) 360 Degree Appraisal
5. Under \_\_\_\_\_ employees are shifted from one department to another department.  
a) Apprenticeship      b) Job rotation  
c) Understudy      d) Mentoring
6. \_\_\_\_\_ is a process of making arrangement to fill up the key organisation positions.  
a) Career Planning      b) Succession Planning  
c) Counselling      d) Mentoring
7. \_\_\_\_\_ is the activity of influencing people to strive willingly for group objectives.  
a) Motivation      b) Leadership  
c) Communication      d) Directing
8. Need Hierarchy theory of Motivation is given by \_\_\_\_\_.  
a) McGregor      b) Maslow  
c) Pink      d) Vroom
9. \_\_\_\_\_ is an element of employee welfare  
a. Medclaim insurance      b. Increment  
c. Bonus      d. Salary
10. Employee engagement is the \_\_\_\_\_ commitment the employee has to the organization and its goals.  
a) Business      b) Emotional  
c) Social      d) Legal
11. Innovation culture is the work \_\_\_\_\_ that managers encourage to nurture and develop to generate innovative ideas.  
a) Rules      b) environment  
c) Ethics      d) customs
12. \_\_\_\_\_ is one of the reasons for employee absenteeism.  
a) Optimum workload      b) Reduced stress  
c) High motivation      d) Personal or family problems

**Q.1 (B) State whether the following statements are True OR False: (Any Ten) 10**

1. Human Resource Management involves only motivating the employees to perform effectively.
2. Human Resource Planning is a one-time activity.
3. Promotion and transfer are external sources of Recruitment.
4. Under apprenticeship training, recruits work under senior employees to learn functions of the job.
5. Performance appraisal may be affected by personal bias of the rater.
6. Counsellor acts as a guide rather than as a coach in training subordinates.
7. Human relations lead to ineffective motivation of individuals in a given situation.
8. Welfare facilities are compulsory in all Organisations.
9. Spiritual quotient includes honesty, integrity and ethical values of employees.
10. HRIS facilitates Human Resource Planning.
11. Work overloads affects work life balance.
12. Gen Y employees are children born to baby boomers.

**Q.2 Answer ANY TWO of the following:**

15

- a) Define Human Resource Management. Discuss its functions.
- b) What do you mean by Human Resource Planning? Discuss briefly the steps in Human Resource Planning.
- c) Explain the various Sources of Recruitment.

**Q.3 Answer ANY TWO of the following:**

15

- a) Explain the scope of Human Resource Development.
- b) What is performance appraisal? Explain benefits of performance appraisal?
- c) Discuss the need for Career Planning and Development.

**Q.4 Answer ANY TWO of the following:**

15

- a) What is Human Relations? Explain its significance.
- b) What is an Emotional Quotient? Discuss the factors affecting Emotional Quotient.
- c) What is employee grievance? Discuss causes of employee grievances.

**Q.5 Answer ANY TWO of the following:**

15

- a) What are competencies? Explain the classification of competencies.
- b) Discuss the various patterns of employment in modern times.
- c) Explain factors leading to absenteeism in organizations.

**Q.6 Write short Notes (ANY FOUR)**

20

- a) Strategic Human Resource Management
- b) Employee Health and Safety Measures
- c) Theory X and Theory Y
- d) Mentoring
- e) Innovative Organisation
- f) Downsizing

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A.T.K.T

Time: 3 Hours

Marks: 100

Q 1. A) Select the correct alternative and rewrite [Any 10]

(10)

1. The Stock ledger Control Account shows :

- Total value of finished goods in stock
- Total value of finished goods sold
- Total value of finished goods purchased
- Total value of finished goods insured.

2. Store Ledger contains a separate account of :

- Each item of stores
- Receipt of stores
- Issue of stores
- Stock of stores

3. The value of the contract, which is agreed to be paid to the Contractor by the contractee, is known as :

- Cash Price
- Work Certified
- Work uncertified
- Contract Price

4. The difference between value of WIP certified & the cost of WIP certified is known as :

- Net Profit
- Notional Profit
- Gross Profit
- Notional Loss

5. The costing, which is to ascertain the cost of product at each stage of manufacture :

- Contract costing
- Standard Costing
- Process Costing
- Marginal Costing

6. The loss which is avoidable :

- Normal Loss
- Abnormal Loss
- Abnormal Gain
- Normal Gain

7. Which one of following is not Advantage of Marginal Costing?

- Constant in nature
- Realistic
- Pricing Decision
- Lack of standard for control

8. Margin of safety is :

- Excess of present sales value over the break-even sales
- Excess of Break Even sales value over the present sales value
- Profit Volume Ratio
- Break even sales

9. Predetermined cost is known as :

- Standard Cost
- Marginal Cost
- Contract Cost
- Job Cost

10. Excess of actual cost over standard cost is :

- Favorable variances
- Unfavorable variances
- Material Variances
- Labour Variances

11. Material Usage Variance is also as :

- Quantity Variance
- Quality Variance
- Labour Variance
- Cost Variance

12. An activity which generates cost is a :

- Cost driver
- Cost Pool
- Cost Unit
- Cost Centre

Q.1.B) State whether the following statements are True or False. [Any 10] (10)

1. Direct wages are debited to wages control Account.
2. Work uncertified is valued at cost.
3. Material returned to stores is credited to Contract Account.
4. Process Costing is not applicable to engineering firm.
5. Sale value of abnormal Loss is credited to abnormal Loss A/c.
6. Process costing is not applicable to engineering firm.
7. P/V ratio does not indicates profitability.
8. Marginal costing is method of costing.
9. Materail price variance arise due to change in quantity.
10. Idle time variance is always favorable.
11. Target Costing is method of costing.
12. Bench mark is marking on benches.



Q 2) A product passes through three processes viz. P, Q and R. The following details are available from the books and records of Acer Limited for the year ended 31<sup>st</sup> March 2023.

(20)

Particulars	P	Q	R
Unit introduced	30,000	---	---
Cost per unit	10	---	---
Sundry Materials (Rs)	65,000	43,000	37,000
Direct labour (Rs)	20,000	18,000	15,000
Direct Expenses (Rs)	16,000	12,500	8,700
Production Overhead	50% of labour	50% of labour	40% of labour
Normal loss (%)	10%	10%	10%
Scrap value Per unit (Rs.)	2.00	-	
Actual Output	25,000	23,000	20,000

The output of each process passes directly to the next process and finally to the finished stock.

You are required to prepare:

- Process Accounts
- Normal Loss Account
- Abnormal Loss Account
- Abnormal Gain Account

OR

Q 2) Aastha Limited provides you with the following information for the month of March, 2023 about process X, Y and Z

(20)

Particulars	Process X	Process Y	Process Z
Basic Raw Material introduced (units)	40,000	11,000	2,000
Cost of Raw Material per unit (Rs.)	10	12	15
Actual output (units)	38,000	27,000	19,000
Indirect material (Rs.)	1,65,000	1,07,000	1,06,000
Direct Wages (Rs.)	1,00,000	83,000	30,000
Indirect Material (Rs.)	35,000	45,000	55,000
Factory Overheads (Rs.)	65,000	72,000	35,000
Normal Loss ( as % of total No. of units input)	5%	10%	5%
Scrap Value per unit (Rs.)	2.50	3.00	5.00
Output Transferred to Next Process (%)	50%	60%	---
Output Sold at the end of process (%)	50%	40%	100%
Selling price per unit of the output sold at the end of the Process (Rs.)	25	35	50

You are required to prepare Process Accounts and Costing Profit & Loss Account.

Q 3) ABC Limited commenced a contract on 1<sup>st</sup> April, 2022. The total contract price was for Rs. 35,00,000 and it is likely to be completed on 31<sup>st</sup> December, 2023. The actual expenditure up to 31<sup>st</sup> March, 2023 and subsequent estimated expenditure up to 31<sup>st</sup> March, 2023 are given below: (20)

Particulars	Actual Expenditure (up to 31 <sup>st</sup> March, 2023)	Estimated expenditure (from 1-4-2023 to 31-12-2023)
Material issued	9,20,000	6,37,000
Direct Labour	4,40,00	3,20,000
Sub contract charges	20,000	30,000
Chargeable expenses	1,20,000	1,70,000
Plant purchased	3,00,000	
Plant returned to stores at the end of period (Original cost)	1,00,000	2,00,000
Architect fees (% of work Certified)	4%	4%
Work Certified(Cumulative)	20,00,000	35,00,000
Work uncertified	50,000	
Cash received	16,00,000	18,00,000

The Plant is subject to annual depreciation @ 20% p.a on original cost. It was decided that the profit to be taken credit for should be that portion of estimated net profit to be realized on completion of the contract which the certified value of work as on 31<sup>st</sup> March, 2023 bears to the total contract price.

You are required to prepare Contract Account for the year ended 31st March, 2023 and show your calculation of profit to be credited to the Profit & Loss account for the year the ended 31<sup>st</sup> March, 2023. Calculation should be made to nearest rupee.

OR

Q 3) Aman Contractors Limited obtained two contracts P & Q. Following information was extracted from their books for the year ended 31<sup>st</sup> March, 2023. (20)

Particulars	Contract P	Contract Q
<b>Date of Commencement</b>	<b>1<sup>st</sup> April, 2022</b>	<b>1<sup>st</sup> January, 2023</b>
Contract Price	1,00,00,000	25,00,000
Cash received	80% of WC	75% of WC
Work Certified	20,00,000	13,50,000
Work uncertified	70,000	40,000
Material issued	5,00,000	2,50,000
Material returned to stores	20,000	-
Indirect Material	2,00,000	2,10,000
Direct wages	4,40,000	2,25,000
Direct expenses	2,05,000	45,000
Sub contract charges	42,000	35,000
Administrative charges	4,05,000	2,20,000
Supervision charges	90,000	-
Architect fees	75,000	40,000
Electricity charges	72,000	-
Plant issued at the commencement	35,00,000	20,00,000
Material at site at the end	1,10,000	80,000

Provide depreciation @ 20% per annum, on the original cost of the plant.

You are required to prepare Contract P & Contract Q accounts for the period ended 31<sup>st</sup> March, 2023.



Q 4) A. Following information is available from the records of Manas Limited: (10)

Year	Sales (Rs.)	Profit (Rs.)
I	15,00,000	2,00,000
II	20,00,000	3,25,000

You are required to calculate:

1. Profit Volume Ratio
2. Fixed Cost
3. Break Even Point
4. Profit when sale is Rs.25,00,000
5. Sales required to earn profit of Rs. 5,00,000

Q 4) B. From the following data calculate: (10)

1. Material Cost Variances
2. Material Usage Variance
3. Material Price Variance

The Standard cost of material for 100 units of output is

Material	Kgs	Rate per unit
A	50	2
B	100	4

The Actual cost of material for 1000 units of output is

Material	Kgs	Rate per unit
A	600	2.50
B	900	5.00

OR

Q 4) Following are the balances in Cost ledger of Sai Kripa Manufacturing Company on 1<sup>st</sup> April, 2022 (20)

	Debit(Rs)	Credit(Rs)
Stores Ledger Control Account	4,500	
WIP control account	2,400	
Finished Stock Ledger control Account	4,000	
Factory Overheads Control Account	1,200	
Cost Ledger Control Account		12,100

Following are the transactions for the year ending on 31<sup>st</sup> March, 2023:

Particulars	Rs
Raw material Purchased	65,000
Material issued to production	52,000
Direct Wages	12,500
Indirect Wages	2,500
Factory Overheads incurred	5,000
Factory Overheads charged to production	11,500
Finished stock at cost	72,000
Cost of sales	75,000
Sales return at cost	1,000
Sales	1,00,000

You are required to prepare following Cost Control Accounts:

- a. Cost ledger control Account
- b. Stores Ledger Control account
- c. WIP Control Account
- d. Finished Stock Ledger Control Account
- e. Costing Profit & Loss Control Account

Q 5 A) Explain advantages & disadvantages of Standard Costing (10)

Q 5 B) Explain Non Integrated System of Cost Accounting in detail. (10)

OR

Q 5) Write Short Notes: (Any Four) (20)

- 1. Target Costing
- 2. Benchmarking
- 3. Work Certified & Work Uncertified
- 4. Features of Process costing
- 5. General Ledger Adjustment Account
- 6. Break Even Analysis

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Sem - VI

Paper / Subject Code: 83013 / Business Economics VI

A.T.K - ?

12/23

4/12/2023

Time: 3 hours

Marks: 100

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

Q1 A. Choose the correct answer and rewrite the statement (Any Ten) 10

1. According to Ricardo, international trade is beneficial under -----
  - A. absolute cost
  - B. comparative cost
  - C. equal difference in cost
  - D. production cost
2. According to Heckscher-ohlin theory, product price depends on \_\_\_\_\_
  - A. factor intensity
  - B. factor abundance
  - C. Both factor intensity and factor abundance
  - D. advertisement
3. Reciprocal demand is \_\_\_\_\_
  - A. mutual demand of two countries to each other's goods
  - B. imports only
  - C. price of exports and imports
  - D. mutual supply
4. Commercial policy is also refer as \_\_\_\_\_
  - A. Trade policy
  - B. Fiscal policy
  - C. Monetary Policy
  - D. Disinvestment Policy Answer 1
5. Protectionist policy helps to .....
  - A. Encourages international specialization
  - B. Promotes global production
  - C. Prevent dumping
  - D. Reduces government intervention in trade
6. Brexit is the shortened name given to \_\_\_\_\_
  - A. Britain's exit from EU
  - B. Britain's exit from ASEAN
  - C. Britain's exit from NAFTA
  - D. Britain's exit from WTO
7. BOP uses the \_\_\_\_\_ system of book-keeping or accounting.
  - A. Single Entry
  - B. Double Entry
  - C. Cash Basis
  - D. Accrual Basis
8. WTO was established on \_\_\_\_\_
  - A. January 1, 1995
  - B. January 1, 2005
  - C. January 1, 2015
  - D. January 1, 2020

9. TRIMs covers \_\_\_\_\_.
- Foreign Investment
  - Foreign Aid
  - Services
  - Goods
10. Foreign exchange market is a place where \_\_\_\_\_
- only foreigners purchase the required currency
  - exchange of services take place
  - various national currencies are purchased and sold
  - local goods can be exchanged with foreign goods
11. Spot exchange rate is the \_\_\_\_\_
- Current exchange rate determined by the market forces of demand and supply of foreign exchange
  - Current exchange rate determined by the market forces of demand and supply of goods only
  - Future exchange rate determined by the market forces of demand and supply of services only
  - Future exchange rate determined by the market forces of demand and supply of foreign exchange
12. Flexible exchange rate system is also known as \_\_\_\_\_
- Pegging exchange rate system
  - Floating exchange rate system
  - Dirty Float
  - Fixed exchange rate system

**Q.1. B) State whether the following statements are TRUE or False (Any 10) 10**

- International trade deals with trade within the country.
- Factor endowment theory of international trade was developed by Heckscher-Ohlin.
- An offer curve differs from both usual demand and supply curves.
- Protectionist policy encourages international specialization.
- Tariff redistributes income in favour of Domestic producers.
- The Euro is the single currency of the European Union.
- Devaluation results in cheaper imports.
- The supreme authority of WTO is Dispute Settlement Body.
- GATS covers Trade in Services.
- The relationship between demand for foreign exchange and the exchange rate is inverse.
- Purchasing Power Parity Theory was propounded by David Ricardo.
- The acronym FEMA stands for Foreign Exchange Monitoring Act.



- Q2. Answer any two of the following.** 15
- A. Explain Ricardo's Theory of International Trade.
  - B. Discuss the concepts of factor intensity and factor abundance presented in H-O theory of international trade.
  - C. What is terms of trade? Discuss the factors determining Terms of Trade
- Q3. Answer any two of the following.** 15
- A. What is free trade? Explain the arguments for free trade.
  - B. What are the effects of tariff? Discuss.
  - C. Explain the different types of international economic integration.
- Q4. Answer any two of the following.** 15
- A. Balance of payment always balances. Discuss.
  - B. Explain the monetary measures to correct disequilibrium in the Balance of Payments.
  - C. Write a note on recent developments in TRIPs.
- Q5. Answer any two of the following.** 15
- A. What are the functions of foreign exchange market? Explain.
  - B. Discuss the Purchasing Power Parity theory of determining rate of exchange.
  - C. Discuss the role of central bank in foreign exchange market.
- Q6. Write short notes on any four of the following.** 20
- A. Limitations of Heckscher-Ohlin theory of international trade.
  - B. Gains from trade.
  - C. Non-tariff barriers
  - D. Causes of disequilibrium in balance of payments
  - E. Recent developments in TRIMs
  - F. Determination of equilibrium rate of exchange.

TYB.Com

Sem - VI

A.T.K.T

1-12-2023

[Time:3 Hrs.]

[Marks:100]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory.  
2. Figures to the right indicate maximum marks.  
3. Working notes should form part of your answer.  
4. The use of the simple calculator is allowed

Q.1 (A) Select the correct options for the given choice :- ( Any Ten)

(10)

- 1) The Limited Liability Partnership Act, 2008 came into force on \_\_\_\_\_
  - a) 21 5t March 2009
  - b) 23 rd March 2009
  - c) 31 5t March 2009
  - d) 30th March 2009
- 2) According to SEBI Regulations, if the subscription is not at least ----- of the offer amount, all the application money needs to be refunded
  - a) 40%
  - b) 75%
  - c) 60%
  - d) 90%
- 3) According to the Companies Act, the underwriting commission on shares should not exceed -----
  - a) 5 %
  - b) 2.5 %
  - c) 10 %
  - d) 1 %
- 4) Liquidators Statement is prepared under section-----
  - a) 143
  - b) 153
  - c) 156
  - d)173
- 5) ----- is the designated place where a Limited Liability Partnership should maintain its accounts.
  - a) The branch office
  - b) The corporate office
  - c) The head office
  - d) The registered office
- 6) Assets specifically pledged are placed in ----- to the Statement of Affairs
  - a) List D
  - b) List C
  - c) List R
  - d) List E



- 7) The mean of the exchange rates in force during a period is known as-----.
- Average Rate
  - Closing Rate
  - Reporting Rate
  - Fair Rate
- 8) ----- is not a Preferential Creditor.
- Expenses in investigation
  - Salary & Wages
  - Government Dues
  - Unsecured Creditors
- 9) In amalgamation, while calculating purchase price, -----value of assets are considered.
- revised
  - average
  - market
  - book
- 10) Anvita Ltd. issued shares of Rs 1,000 each at Rs 950, the underwriting commission will be paid on-----.
- Rs. 1,000
  - Rs. 950
  - Rs. 1,950
  - Rs. 50
- 11) If the business of an existing company Sky Ltd is taken over by an existing company Earth Ltd, it is called-----.
- Absorption
  - Amalgamation
  - External reconstruction
  - Internal reconstruction
- 12) As per SEBI guidelines, commission payable to underwriters for underwriting Preference shares or Debentures up to Rs 5 lakhs, should not exceed-----.
- 5%
  - 2.5%
  - 10%
  - 1.5%

Q.1 (B) State whether the following statements are True or False:- (Any Ten)

(10)

- Sum due to an employee out of provident fund is an example of preferential creditor.
- Marked applications are stamped by the underwriters.
- When all the share are underwritten by one underwriter, it is known as partial underwriting.
- Stocks are the example of monetary item.
- The Official Liquidators are officers appointed by the Central Government under Section 448 of the Companies Act, 1956.
- Exchange rate is the ratio of two currencies.
- Amalgamation includes reconstruction.

- 8) Merger is a method of accounting for amalgamation.
- 9) As per Companies Act 2013, the commission payable to underwriter for underwriting of shares should not exceed 2%.
- 10) Company can become a member of Limited Liability Partnership.
- 11) On Liquidation of companies, preferential creditors should be settled after the payment of unsecured creditors.
- 12) Limited Liability Partnership should have minimum 2 partners.

Q.2 Krishna Ltd and Godavari Ltd agreed to amalgamate and form a new company namely Sangam Ltd. Sangam Ltd takes over all the assets and liabilities of both the companies. Following are the summary Balance Sheet of Krishna Ltd and Godavari Ltd as on 31<sup>st</sup> March: (20)

Liabilities	Krishna Ltd (RS)	Godavari Ltd (RS)	Assets	Krishna Ltd (RS)	Godavari Ltd (RS)
Equity Shares of	16,00,000	20,00,000	Machinery	32,00,000	32,00,000
8% Preference shares of Rs. 100 each	10,00,000	10,00,000	Stock	2,60,000	2,40,000
Profit and Loss Account	10,00,000	-----	Debtors	3,80,000	2,00,000
Statutory Reserve	2,00,000	5,00,000	Profit and Loss A/c	-----	5,60,000
10% Debentures	1,50,000	5,00,000	Bank	2,60,000	1,60,000
Creditors	1,50,000	3,60,000			
	<b>41,00,000</b>	<b>43,60,000</b>		<b>41,00,000</b>	<b>43,60,000</b>

**Terms of Amalgamation:-**

- a) Sangam Ltd takes over all assets and liabilities of both the companies at book values.
- b) The goodwill of Krishna Ltd and Godavari Ltd is valued at Rs 4,00,000 and Rs 4,50,000 respectively.
- c) The Sangam Ltd issues equal number of 9% Preference Shares of Rs 100 each and balance of purchase consideration is settled by issue of equity shares of Rs 10 each to Equity Shareholders.
- d) 10% Debenture holders would be discharged at par by issue of an equal number of 11 % Debentures of Rs 100 each in Sangam Ltd.
- e) Debtors of Godavari Ltd includes Rs 50,000 due from Krishna Ltd

**You are required to:-**

- 1) Compute Purchase Consideration.
- 2) Give Opening Journal Entries in the books of Sangam Ltd.

**OR**



- Q.2 (B)** Kanishka Ltd issued 15,00,000 Equity Shares of Rs. 10 each at par which were underwritten by (20)  
 Seema 30%  
 Savita 40%  
 Shilpa 30%

The firm underwriting was as follows.

Seema 30,000  
 Savita 36,000  
 Shilpa 42,000

Total subscriptions received were 8,20,000 shares including marked applications and excluding firm underwriting, ∴ Marked applications were

Seema, 1,80,000  
 Savita 2,10,000  
 Shilpa 2,70,000

The underwriters are eligible for a commission of 5% on face value of shares. The entire amount towards share subscription has to be paid along with application.

**You are required to :-**

- I) Compute the liability of underwriters assuming the benefit of firm underwriting is given to underwriters.
  - II) Show Journal Entries in the books of Kanishka Ltd.
- Q.3 (A)** Patil and Bhawe are partners in a firm, they decided to convert the firm into PB LLP with effect from 1<sup>st</sup> April 2023, their Balance Sheet as on 31<sup>st</sup> March 2023, was as under (10)

Liabilities	Rs	Assets	Rs
Patil's Capital	3,00,000	Land and Building	10,80,000
Bhawe's Capital	6,00,000	Stock	9,00,000
General Reserve	3,00,000	Investments	3,60,000
Creditors	21,00,000	Debtors	6,00,000
Bills Payable	3,00,000	Cash and Bank Balance	6,60,000
	<b>36,00,000</b>		<b>36,00,000</b>

**Other information:-**

- 1) All the assets and liabilities of the firm shall be taken over by LLP
- 2) Land and Building and Stock shall be appreciated by 10% . .
- 3) Debtors shall be decreased by Rs 30,000.
- 4) Goodwill shall be valued at Rs 3,00,000 .
- 5) Investment shall be taken over at 10 % more than the book value.

**You are required to prepare :-**

- 1) statement showing Calculation of Purchase Consideration
- 2) Realisation Account in the books of a firm

**Q.3 (B)** Vijayanagar Ltd exported goods to Gabriel Ltd, Portugal worth US \$ 1,50,000 on 1<sup>st</sup> May 2023 (10)  
on which date the exchange rate of 1 US \$ was Rs 75. The amount was received from Gabriel Ltd in three equal installments on the following dates

Date	Exchange Rate per US \$
15 May th2023	Rs 79
25 May th2023	Rs 81
15 June th2023	Rs 82

Vijaynagar Ltd closes the books of account on 31<sup>st</sup> March every year

**Pass journal entries in the books of Vijayanagar Ltd to record the above transactions and prepare Foreign Exchange Fluctuation on Account (20)**

**OR**

**Q.3** The summarized Balance Sheet of Ajanta Ltd as on 31 st March 2023 is as follows

Liabilities	Rs	Assets	Rs
Share Capital 25,000, 10 % Preference Shares of Rs 100 each fully paid up	25,00,000	Land and Building	26,00,000
25,000 Equity Shares of Rs. 100 each fully paid up	25,00,000	Achinery Plant and M	39,00,000
10% Debentures	48,00,000	Stock	16,25,000
Preferential Creditors	5,25,000	Debtors	51,25,000
Unsecured Creditors	54,25,000	Profit and Loss Account	25,00,000
	<b>1,57,50,000</b>		<b>1,57,50,000</b>

Preference dividend is in arrears for three years

**The assets were realized as follows :-**

	Rs
Land and Building	31,00,000
Stock	15,50,000
Plant and Machinery	35,50,000
Debtors	33,00,000

Expenses of liquidation were Rs 4,30,000 The remuneration of a liquidator is .2 % of the assets realized and 3% on the payment of unsecured creditors. All the payments were made on 1<sup>st</sup> April 2023.

Prepare the Liquidator's Final Account.

**Q.4** Chalukya Ltd imported goods worth US \$ 2,00,000 from Monika Ltd New York on 15<sup>th</sup> January 2023 when the exchange rate was Rs 75 per US\$ , The payments were made in installments as under (20)

20 <sup>th</sup> January 2023	\$ 60, 000	\$ 1= Rs76
31 <sup>st</sup> January 2023	\$ 60, 000	\$ 1= Rs77
10 <sup>th</sup> January 2023	\$ 60, 000	\$ 1= Rs78
10 <sup>th</sup> April 2023	\$ 20,000	\$ 1= Rs74

Chalukya Ltd closes its books every year on 31 March st. On 31 March st 2023 the exchange rate was Rs79 per US \$.



You are required to pass journal entries in the books of Chalukya Ltd for the year ended 31<sup>st</sup> March 2023 and also prepare Foreign Exchange Fluctuation Account in the books of Chalukya Ltd

OR

Q.4 The financial position of two companies Nile Ltd. and Amazon Ltd. as on 31<sup>st</sup> March 2023 was as under (20)

Assets	Nile Ltd	Amazon Ltd
Goodwill	50,000	25,000
Building	3,00,000	1,00,000
Machinery	5,00,000	1,50,000
Inventory	2,50,000	1,75,000
Trade receivables	2,00,000	1,00,000
Cash at Bank	50,000	20,000
<b>Total</b>	<b>13,50,000</b>	<b>5,70,000</b>
Liabilities	Nile Ltd	Amazon Ltd
Share Capital:		
Equity Shares of Rs 10 each	10,00,000	30,00,000
9% Preference Shares of Rs 100 each		
10% Preference Shares of Rs 100 each		1,00,000
General Reserve	70,000	70,000
Retirement Gratuity Fund	50,000	20,000
Trade pay ablest	1,30,000	80,000
<b>Total</b>	<b>13,50,000</b>	<b>5,70,000</b>

Nile Ltd absorbs Amazon Ltd w.e.f 1st April 2023 on the following terms:-

- 10% Preference Shareholders of Amazon Ltd are to be paid at 10% premium by issue of 9% Preference Shares of Nile Ltd
- Goodwill of Amazon Ltd. is valued at Rs.50,000, Buildings are valued at Rs 1,50,000 and the Machinery at Rs 1,60,000.
- Inventory to be taken over at 10% less value and Provision for Doubtful Debts to be created @ 7.5 %
- Equity Shareholders of Amazon Ltd will be issued Equity Shares of Nile Ltd @ 5% premium

Prepare necessary Ledger Accounts to close the books of Amazon Ltd. and show the Acquisition Entries in the books of Nile Ltd. Also draft the Balance Sheet after absorption as at 1st April 2023

- Q.5 (A) Explain benefits of Limited Liability Partnership.  
 (B) Explain the procedure of calculation of Net Liability of Underwriter

(10)

OR

Q.5 (C) Write short notes (Any Four)

- 1) Firm Underwriting
- 2) Average rate and closing rate in Foreign Currency Transaction
- 3) Liquidators Final Statement of Account
- 4) Purchase consideration
- 5) Absorption
- 6) Monetary items

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Time : 3 Hours

Marks: 100

- N.B:
- 1) All questions are compulsory with internal options.
  - 2) Q.1 & Q.6 carry 20 marks and Q.2 to Q.5 carry 15 marks each
  - 3) Working notes form a part of the answer and have to be solved immediately after question and not on the last page of the answer sheet.

**Q.1. (A) State True or False (any 10)**

10

1. Accounts receivable is part of current asset
2. Cash sales result in accounts receivable
3. Projects with longer payback period should be selected
4. Payback period is modern technique of capital budgeting
5. Manufacturing organizations require less working capital
6. Lag in payment of overheads increases working capital
7. At BEP the organization is at no profit no loss stage
8. P/V Ratio is a test of profitability.
9. NPV method considers time value
10. Permanent working capital is the maximum capital that must be maintained
11. Variable cost per unit changes with the change in output
12. Receivable management affects shareholders value

**Q.1 (B) Match the following (any 10)**

10

	Group A		Group B
1	Margin of Safety	1	To meet seasonal requirements
2	Payback	2	Fixed cost / pv ratio
3	P/V Ratio	3	Issued by bank
4	Scrap value	4	Added to net current assets to get working capital
5	Gross working capital	5	Optimum cash balance
6	Breakeven point	6	Sales:- break even sales
7	Discounted cash flow	7	Contribution/sales
8	Letter of credit	8	Considers time value of money
9	Seasonal working capital	9	Technique of control over debtors
10	Margin of safety sales	10	Added to last year's cash inflow
11	Cash as per requirement	11	Total current assets
12	ABC analysis	12	Period of recovery on cash outlay

**Q2. A) J. Ltd manufacture radios which are sold at a price of Rs 300/ piece**

15

To manufacture each piece of radio Raw Material required is Rs 110, Wages paid is of Rs 75 and overheads incurred are of Rs 45. During the year a total of 65,000 radios were manufactured. Production and sales took place evenly during the year.

1. Raw material to remain in stock for 5 weeks
2. Creditors extend a credit period of 10 weeks
3. Finished Goods to remain in warehouse for 8 weeks



4. Wages and Overheads are paid after 8 weeks
5. Processing time is 3 weeks
6. Debtors pay the amount after 6 weeks.

You are required to calculate Working capital requirement for 2021-2022.

OR

**Q.2. B)** Cambridge Ltd is in the business of manufacturing shirts. It has provided following details for the year 2021-2022. Total production and sales 1,08,000 units. The breakup of cost is as follows Raw Material Rs 75/ unit, Labour 10% of selling price Direct Expenses 1/3 of Labour cost. Each shirt is sold at a price of Rs 150/ unit.

Following additional information is available:

1. Raw material to remain in stock for 1.5 month
2. Goods to remain in process for 3 months
3. Labour and Expenses are paid at the end of the month.
4. Finished goods to remain in stock for 1 months
5. Creditors allow a credit period of 2 months
6. Debtors are to be given 3 months credit

You are required to calculate Working capital requirement for 2021-2022.

**Q.3. A)** The following figures relate to Amit Ltd.

Selling Price Per Unit: 40

Direct Materials Per Unit: 12

Direct Labour Per Unit: 9

Other Variable Overheads Per Unit: 7

Fixed Factory Overheads Per Unit: 3,20,000

Fixed Office Overheads Per Unit: 4,30,000

Calculate:

1. P/VRatio
2. Break even sales in Units and Rs
3. Sales to earn a profit of 4,50,000
4. New break even point if fixed overheads are increased by 15%

OR

**Q.3. B)** A Company annually manufactures and sells 20,000 units of a product, the selling Price of which is Rs 50 and profit is earned at Rs 10 per unit.

The analysis of cost of 20,000 units

Materials Cost 3,00,000

Labour Cost 1,00,000

Overhead (50% variable) 4,00,000

You are required to compute:

1. Contribution per unit
2. Breakeven point

3. P/V Ratio
4. Sales required to earn a profit of 4,00,000
5. Margin of safety when sales is 7,00,000

Q4 A) Arjun ltd decides to buy a machinery for Rs 3,00,000. It has 2 options before it. It can either buy Machine Alpha OR Machine Beta. The expected inflows from both the machines are mentioned below

Year	Alpha Inflows	Beta Inflows
1	75,000	90,000
2	90,000	1,10,000
3	1,05,000	1,00,000
4	90,000	80,000
5	85,000	40,000

The company wants a return of 10% P.A. the expected discount rates for 5 years are as follows

Year 1	Year 2	Year 3	Year 4	Year 5
0.909	0.826	0.751	0.683	0.621

Evaluate both the machines on following parameters

1. NPV
2. Profitability index
3. Payback period
4. Return on Investment

OR

Q 4 B) A company is contemplating buying a machinery the cost of which is rs 4,00,000. The inflow for next 5 years before tax are mentioned below.

Year	Inflow
1	1,10,000
2	1,80,000
3	2,10,000
4	2,45,000
5	2,00,000

The company falls under a tax bracket of 30% and wishes to get a return of 12% on its investment.

You are required to evaluate the project based on following basis

- 1) NPV of project
- 2) Profitability Index
- 3) Payback period.



**Q 5. A)** Amar Ltd manufactures readymade garments and sells them on credit (15 marks) basis through a network of dealers. It's present sale is Rs 60 lakhs per annum with 20 day credit period. The company is of a view that increasing the credit period will increase sales. The variable costs are 70% of sales and total fixed costs are Rs 8 lakhs per annum. The company expects a pre-tax return on investment @ 25%. Other details are as given under:

Particulars	Present	Proposed
Sales	60 Lakhs	65 Lakhs
Credit Period	20 days	30 days

**OR**

**Q.5 B)** The company currently has an annual turnover of Rs 60 lakhs and an average (15) collection period of 30 days. The company wants to experiment with a more liberal credit policy on the ground that increase in collection period will generate additional sales. From the following information kindly indicate whether the company should adopt the new policy or not  
**New Credit Policy A -** Average collection period of 45 days and an annual sale of Rs 70 lakhs.  
 Costs: Variable costs: 70% of sales  
 Fixed Costs: Rs 5 lakhs per annum  
 Required (pre-tax) return on investment: 20%  
 A year may be taken to comprise of 360 days

- Q 6) 1.** State the importance of capital budgeting (10)  
**2.** State the important aspects of receivable management (10)

- Q 6) Write short notes on (any 4) (20)**  
 1. Net Present Value (NPV)  
 2. State importance of maintaining a optimum working capital  
 3. 5 C's under credit evaluation  
 4. P/V Ratio  
 5. Seasonal working capital  
 6. Letter of Credit

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