

25/10/18 / SYBAF / SEM-III / OCT-2018

Time: 2:30 Hours

Marks: 75

Note: All question are compulsory
From Q2 to Q4. Attempt either "A" and "B" OR "C" and "D"
From Q5 do Either "A" or "B"

Q 1 A) Multiple Choice Questions (Any 8)

1) Short cut key for Slide Show is _____

- (a) F8 (b) F9 (c) F5 (d) F2

2) BCC stand for _____

- (a) Business Cyber Crime (b) Blind Cryptography
(c) Blind Carbon Card (d) Blind Carbon Copy

3) Which of the following refers to dangerous programs that can be caught by opening email attachments and downloading software from internet.

- (a) Hardware (b) Utility (c) Virus (d) Spam

4) Web address is also called a _____

- (a) URL (b) ULR (c) RLU (d) EUR

5) C2B stand for _____

- (a) Consumer to Business (b) Business to Government (c) Commoner to Business (d) None.

6) Batch processing and Multiprogramming was introduced in _____ generation.

- (a) First (b) Second (c) Third (d) Fourth.

7) _____ command is used to save an existing document.

- (a) Close (b) Save As (c) Save (d) Exit

8) Slide Sorter of powerpoint is available on _____ menu.

- (a) Insert (b) View (c) File (d) Edit

9) HTML programs are save with _____ extension.

- (a) .htm (b) .html (c) .html (d) none

10) Which of the following is used to write web pages ?

- (a) HTML (b) HTTP (c) FTP (d) URL

Q.4) A) Explain the following with examples.

8

- (1) B2C (2) C2B (3) C2C (4) B2B

B) Explain Customer Relationship Management (CRM)

7

OR

C) Define Computer. Explain parts of Computer

8

D) What is EDI and Benefits of EDI.

7

Q.5) A) Explain the following terms

15

- (1) WWW (2) Internet (3) Homepage (4) Webpage (5) Website

OR

Q.5) B) Write Short Notes on (any 3)

15

(1) Mail Merge

(2) Peer-to-Peer Architecture

(3) E-mail

(4) Sniffing Attack.

(5) Web browser

Extr

[Time: 2:30 Hours]

[Marks: 75]

Please check whether you have got the right question paper.

- N.B:
1. Attempt all questions.
 2. Figure to the right indicate full marks.

Q.1 A) Fill in the blanks. (Attempt any 8)

08

- 1) The ----- is the most important type of deposit banks.
 - a) Commercial Bank
 - b) Co-operative Bank
- 2) Value of money ----- with the occurrence of interest.
 - a) Depreciates
 - b) Appreciates
- 3) ----- is a financial market for buying and selling debt securities.
 - a) Commodity market
 - b) Debt market
- 4) Treasury Bills are ----- securities and pay no interest.
 - a) Zero coupon
 - b) Payment coupon
- 5) Equity derivatives are derivative instruments with underlying assets based on -----.
 - a) Equity securities
 - b) Preference securities
- 6) ----- is the person who buys the right conveyed by the option.
 - a) Option Holder
 - b) Future
- 7) A ----- is an investment vehicle that allows resources in order to purchase stocks, bonds and other securities.
 - a) Mutual funds
 - b) Derivation
- 8) The financial service can also be called -----.
 - a) Financial intermediations
 - b) Financial derivatives
- 9) In ----- Resources are mobilized by companies through issue of new securities.
 - a) Primary Market
 - b) Secondary Market
- 10) Fixed return on bond is often termed as the -----.
 - a) Interest rates
 - b) Dividend rates

B) State whether the following statements are true or false (Attempt any 7)

07

- 1) Investments is what helps you meet your shorter term needs and medium financial goals.
- 2) Stagflation is the rate where costs rise due to economic trends of spending products and services.
- 3) The debt market in India comprises of many categories.
- 4) New market is a market where firms go to the public for the first time through Initial Public Offering (IPO)
- 5) Hedger don't face risk associated with the price of an asset.
- 6) Equities don't represent the ownership in a company.
- 7) Credit cards are prepared cards.
- 8) In India, Merchant Bankers do not provide the services of loan syndication.
- 9) Speculators wish to bet on future movements in the price of an assets.
- 10) DIPP stands for Department of Industrial Promotion and Procurement.

Q.2 Answer any one of the following.

15

A) What is inflation and its causes?

OR

B) Explain an overview of Indian Financial System with reference to savings and investment in India.

Q.3 Answer any one of the following.

15

A) Explain securities market in detail. What are the functions of securities market?

OR

B) Explain meaning of Bond market and explain the structure of Indian Bond Markets in detail.

Q.4 Answer any one of the following.

15

A) Explain classification of financial instruments in detail.

OR

B) What is Derivative market? What are the benefits of derivative markets with reference to India?

Q.5 Answer any one of the following :

15

A) 1) What is financial services? Explain its features and importance.

2) Explain in detail about progress and scope of merchant banking in India.

OR

B) Write short notes (Any 3)

- 1) Factors affecting selection of mutual funds
- 2) Services of merchant Banks
- 3) Limitations of mutual funds
- 4) Problems of Merchant Bank
- 5) E - Wallets

SYBAF - Sem - III

Bus. Law

[Time 2:30 Hours] Oct - 2018

[Marks: 75]

Please check whether you have got the right question paper

N.B: All question are compulsory.

Q1.A. Fill in the blank (Any 8) (8)

1. Provision of crèches in factories employing more than _____ workers.
2. There should be a shelter room for _____ workers in a factory
3. An irregular explosion is wholly _____ & _____
4. Sleeping partner need not give any _____ about its retirement from the firm
5. A firm may be dissolved with the _____ of all partners
6. A partner is entitled to interest at _____ per annum on any payment made by him
7. The test of the existence of partnership is _____
8. An unlisted _____ may be converted into a LLP
9. The _____ constitutes capital of LLP
10. _____ is a space enclosed by wall or fences.

Q1.B. Match the column (Any 7) (7)

Column A

Column B

- | | |
|---------------------------|------------------------------|
| 1. Precincts | a) Principal and agent |
| 2. Workers | b) Injurious to health |
| 3. Occupier | c) Space enclosed by wall |
| 4. Overcrowding | d) By order or court |
| 5. Complusory dissolution | e) Altering, repairing |
| 6. Manufacturing process | f) Controls the factory |
| 7. Partners | g) Person employed |
| 8. Adult | h) Impairment to health |
| 9. Young person | i) Child or an adolescent |
| 10. Hazardous process | j) Completed 18 years of age |

Q2.a) Mutual Agency is a true test of partnership? Explain? (15)

OR

Q2b) Explain the rights & liabilities of a partner on dissolution? (15)

Q3a) What is the provision of contribution under LLP Act? (15)

OR

Q3b) Define LLP? Explain its features, advantages? (15)

Q4.a) Explain the provision of Factories Act regarding health of workers? (15)

OR

Q4.b) Explain the provision under Factories Act regarding washing facilities, storing & Drying of Wet Clothing, First Aid Appliances & Sitting facilities? (15)

Q5.a) Explain the term Manufacturing Process under Factories Act?

(8)

Q5.b) What are the restrictions on young & women workers?

(7)

OR

Q5. Write Short Notes

(Any 3)

(15)

1. Provision as to drinking water
 2. Actual or Ostensible partner
 3. Compulsory Dissolution
 4. Holding out
 5. Safety officer
-

Exel

(2 ½ Hours)

[Total Marks: 75]

- N.B : (1) All questions are **compulsory**.
 (2) **Figures** to the right indicate **full marks**.
 (3) Draw **neat diagrams** wherever necessary.

Q1. Answer any TWO:**(15)**

- Discuss the circular flow of income and expenditure in three sector economy.
- Explain the features of trade cycle and discuss the characteristics of prosperity.
- What are the leakages of multiplier?

Q2. Answer any TWO:**(15)**

- Discuss the Keynesian approach towards demand for money.
- Explain the cost push inflation with the help of suitable diagram.
- What are the indirect methods of credit control adopted by RBI?

Q3. Answer any TWO:**(15)**

- Discuss the role of government in the provision of public goods.
- Explain the factors affecting the incidence of taxation.
- Discuss the structure of budget.

Q4. Answer any TWO:**(15)**

- Discuss the argument for protection.
- Explain the role of Multinational Corporations.
- What are the merits and demerits of fixed exchange rate?

Q5. (a) Conceptual Questions: (Any four out of six)**(08)**

- Effective demand.
- Velocity of circulation of money.
- Revenue deficit.
- Contra-cyclical fiscal policy.
- Gross barter terms of trade.
- Fundamental disequilibrium in balance of payments.

(b) Multiple choice questions: (any seven)**(07)**

- The total money value of final goods and services produced within a year within domestic territory of the country annually is called as -----.
- Gross Domestic Product
 - Gross National Product
 - Net National Product
 - Net Domestic Product.

2. Marginal Propensity to Consume is the ratio of -----.
 - a) Change in saving to change in income
 - b) saving to income
 - c) Consumption to income
 - d) change in consumption to change in income
3. Fishers equation of exchange is
 - a) $MV = PT$
 - b) $M = KPY$
 - c) $V = M/P$
 - d) $P = M/KT$
4. Public expenditure is important for
 - a) infrastructural development
 - b) balanced regional development
 - c) health facilities
 - d) all the above
5. The difference between the fiscal deficit and interest payment is called as -----
 - a) Budget deficit
 - b) Primary deficit
 - c) Revenue deficit
 - d) Monetised deficit
6. FRBM Act was passed in the year -----
 - a) 2004
 - b) 2000
 - c) 2003
 - d) 2001
7. Net barter terms of trade is expressed as the ratio of -----
 - a) Export price to import price
 - b) quantity of imports to exports
 - c) productivity index of export to import
 - d) none of the above
8. Ricardian theory of international trade is beneficial under -----
 - a) Comparative cost
 - b) absolute cost
 - c) equal differences in cost
 - d) none of the above

9. According to the modern theory of international trade, trade takes place due to -----

- a) differences in factor endowments
- b) high inflation rate
- c) domestic exchange rate
- d) equal differences in cost.

10. Hedging operations helps the participants to -----

- a) purchase foreign exchange
- b) sell foreign exchange
- c) cover the risk
- d) to earn profit.

DURATION :- 2.30 HOURS

SYBAF / 31/10/18 → III

TOTAL MARKS : 75 MARKS

NOTE :-

1. All the questions are compulsory with internal options.
2. Each question carry 15 marks.
3. Working notes form part of your answer.
4. Use of only simple calculator is allowed.

Q.1. [A] STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE/FALSE [ANY 8] [08 MARKS]

1. In case of import, when there is an increase in the rate of exchange when payment is made, there is a foreign exchange loss.
2. On amalgamation of firms, General Reserve is transferred to Partners Capital Account.
3. Profit on Realisation in an amalgamation are divided in their profit sharing ratio among the partners.
4. In Excess capital method, Proportionate capital of a partner is equal to lowest unit value multiply by share of profit.
5. Asset not taken over by the new firm should be distributed among the partners in their profit sharing ratio.
6. If expenses of Conversion are borne by the New Company, no entry is passed in the books of the firm.
7. Stock taken over by Partner at the time of Conversion of firm, is accounted by debiting Partner's Capital A/c and crediting Realisation A/c.
8. Piecemeal distribution means distribution of cash in pieces as and when available.
9. Goods returned to the suppliers are deducted from purchases in the Trading Account.
10. On Amalgamation of firms, sale of assets is credited to Realisation A/c.

Q.1. [B] FILL IN THE BLANKS WITH APPROPRIATE OPTIONS [ANY 7] [07 MARKS]

1. If the dates of drawings are not specified, interest on drawing is charged for _____ months.

A] 5	B] 6
C] 7	D] 8
2. Profit and Loss appropriation account is prepared to record all expenses related to _____.

A] Business	B] Firm
C] Partners	D] Office
3. All direct expenses are debited to _____ account.

A] Trading	B] Profit & Loss appropriation
C] Profit & Loss	D] Revaluation
4. PQR were partners sharing profits & losses in the ratio of 3:2:1. R expired, the new profit sharing ratio after R's death would be _____.

A] 3:1	B] 3:2
C] 1:1	D] 1:2
5. Profit and Loss appearing on the asset side of the balance sheet is Undistributed _____.

A] Profits	B] Capital
C] Losses	D] Drawings
6. Accounting Standard _____ deals with accounting for amalgamation of partnership firm.

A] 14	B] 15
C] 16	D] 17
7. On conversion of partnership firm into a company, assets taken over by a partner is debited to _____.

A] Partners' capital account	B] Realisation account
C] Goodwill account	C] Cash account

8. Fictitious assets appearing in the balance sheet are transferred to debit side of _____ account.
 A] Realisation B] Goodwill
 C] Cash D] Partners' capital
9. An exchange rate on the date of balance sheet is known as _____.
 A] Average rate B] Opening rate
 C] Closing rate D] Agreed rate
10. _____ rate is the mean of exchange rate in force.
 A] Opening B] Closing
 C] Average D] Spot

Q.2. [A]

[15 MARKS]

Shubham and Shrikant were in partnership business sharing profits and losses in the ratio of 3:1. As from 1.1.2018 they admitted Prasad into partnership giving him one-fourth of the profits. Prasad brought in Rs.55000 in cash of which Rs.25000 were considered as being in payment of his share of Goodwill and remainder as his capital. The following trial balance was extracted from the books as on 31.3.2018.

TRIAL BALANCE AS ON 31.3.2018.

PARTICULARS	DEBIT(Rs.)	CREDIT(Rs.)
CAPITAL ACCOUNTS:		
Shubham		60000
Shrikant		40000
Cash paid by Prasad(1.1.2018)		55000
Sales		416000
Return Outwards		4600
R.D.D.		3800
Creditors		82000
Outstanding Rent		2600
DRAWINGS:		
Shubham	14000	
Shrikant	6000	
Prasad	4000	
Building	1,70,000	
Machinery	85000	
Cash at bank	3400	
Purchases	216600	
Return Inwards	6000	
Carriage on purchases	1400	
Opening Stock(1.4.2017)	42000	
Wages	21000	
Debtors	70000	
Salaries	18000	
Prepaid Insurance	600	
Postage and Telegram	800	
General Expenses	1200	
Rent & Insurance	2000	
Bad debts	1600	
Discount allowed	400	
Total	6,64,000	6,64,000

ADDITIONAL INFORMATION:

- 1) Depreciate building @10%.
 - 2) Stock as on 31.3.2018 was valued at Rs.60000.
 - 3) Further bad debts Rs.2000.
 - 3) Reserve for doubtful debts is to be maintained at 10% on the sundry debtors.
 - 4) Interest on Capital @8% p.a.
- Prepare Final Accounts of the Firm.

OR

Q.2. [B]

[15 MARKS]

Lal, Bal and Pal shared profits and losses in the ratio of 2:2:1. Their trial balance as on 31st March 2018 stood as under.

TRIAL BALANCE AS ON 31/03/2018

DEBIT	AMOUNT	CREDIT	AMOUNT
Purchase	234000	<u>Capital</u>	
Return Inward	3600	Lal	45000
Opening Stock	36000	Bal	45000
Salary	40500	Pal	45000
Office Expenses	24750	Sales	510000
Bad Debts	3150	Return Outward	9000
Carriage Inward	6750	Bank Loan	26250
Carriage Outward	10125	Creditors	30000
Debtors	150000	Bills Payable	114750
Bills Receivable	4875		
Bank Balance	12000		
Cash in Hand	3750		
Investment	37500		
Premises	75000		
Machinery	54000		
<u>Drawings</u>			
Lal	18000		
Bal	18000		
Pal	18000		
Furniture	75000		
	825000		825000

On 1st Oct 2018 Lal expired. After his death the following adjustments were carried out.

1. Goodwill to be raised for all the partners' upto Rs. 135000.
2. Amount due to Lal to be transferred to his heir account.
3. Closing Stock was valued at Rs. 63000.
4. Depreciate Machinery, Premises and Furniture by 5%, 10% and 6% respectively.
5. Provide 8% Interest on capital.
6. Also provide 6% Interest on Drawings.
7. Sales were evenly distributed throughout the year.

On the basis of the above information prepare Final account after death of Lal.

Q.3. [A]

[15 MARKS]

Following are the Balance Sheets of M/s R & A, who share Profits and Losses equally and M/s G & U sharing Profits and Losses in the Ratio of 2:1.

BALANCE SHEETS AS ON 31ST MARCH 2018

LIABILITIES	R & A	G & U	ASSETS	R & A	G & U
Creditors	30000	24000	Cash at Bank	22000	27000
Bills Payable	15000	10000	Investments	26000	27000
Bank Loan	10000	12000	Debtors	10000	22000
Mrs. A's Loan	5000		Machinery	52000	34000
General Reserve	3500	6000	Goodwill	10000	
Reserve Fund	4000	3000	Furniture & Fixtures	12500	15000
<u>Capital Accounts</u>			Building	30000	
R	50000				
A	45000				
G		40000			
U		30000			
	162500	125000		162500	125000

Both the firm decided to amalgamate and form a new firm by the name RAGU. For this purpose the following adjustments were integrated.

- Investments were taken over at 10% less than the Book Value for both the firms.
 - Furniture and Fixtures of R & A were taken at Book Value and that of G & U were valued at Rs.12000.
 - Machinery of R & A was to be appreciated by 15 % & that of G & U be appreciated by 25%.
 - R.D.D. should be created at 10% on Debtors for both the firms. Bad Debts for G & U were Rs. 5000.
 - The value of Goodwill was fixed at 30000 for each firm.
 - Unrecorded tools of R & A are valued at Rs. 2000 were taken over by the new firm.
 - The new firm took only Creditors and Bills Payable of both the firms and the liabilities not taken over by the new firm were paid in full by the old firm. Since the new firm did not take over cash the balance after payment of dues were to be distributed amongst the old partners.
- You are required to prepare ledger account to close books of both the old firm and Prepare a Balance sheet of new firm.

OR

Q.3. [B]

[15 MARKS]

Lara, Richard and Walsh are partners sharing profits and losses in the ratio of 4:2:1. They decided to dissolve the partnership as on 31.3.2018 when their Balance Sheet was as under.

BALANCE SHEET AS ON 31.3.2018.

LIABILITIES	AMOUNT	AMOUNT	ASSET	AMOUNT	AMOUNT
Sundry Creditors		120000	Cash in hand		5000
Bills payable		40000	Investments		160000
Salaries payable		8000	Machinery		387400
<u>CAPITAL ACCOUNTS:</u>			Debtors		65200
Lara		160000	Furniture		9800
Richard		320000	Building		378600
Walsh		260000			
General Reserve		98000			
		1006000			1006000

ADDITIONAL INFORMATION:

- Rs.3000 has to be provided for realisation expenses.
- The amounts were realised in instalments as follows:

REALISATION	RS.
1 st	2,00,000
2 nd	35,000
3 rd	4,60,000
4 th	2,40,000

3) The actual realisation expenses were Rs.5000.

Prepare a Statement showing piecemeal distribution of cash as per Excess Capital Method.

Q.4. [A]

[15 MARKS]

Yogesh, Sumeet, Samson are partners sharing profits in the ratio of 2:2:1 respectively. They decided to convert their partnership firm into a joint stock company by the name YSM Ltd. Following is the Balance Sheet on the date of conversion.

BALANCE SHEET AS ON 31.03.2018

LIABILITIES		AMT	ASSET		AMT
CAPITAL			Building		120000
Yogesh	120000		Plant & Machinery		72000
Sumeet	112000		Motor Van		48000
Samson	68000	300000	Furniture		10000
General Reserve		24000	Stock		18800
Bills Payable		6000	Sundry Debtors		104000
Sundry Creditors		96000	Investment		24000
			Bank		29200
		426000			426000

YSM Ltd took over the following assets & liabilities

Building at Rs. 140000

Plant & Machinery at Rs. 60000

Furniture at Rs. 5000

Stock at Rs. 30000

Goodwill at Rs. 32200

Create 10% Reserve for Doubtful Debt

The company has also agreed to take over Sundry Creditors at Rs. 90000.

The purchase consideration was discharged by the issue of sufficient number of Equity Shares of Rs.100 each fully paid up at par. The firm sold investment for Rs. 40000 and paid Bills Payable fully.

Motor Van was taken over by Yogesh at Book value. The firm paid realisation Expenses Rs. 5000

Purchase consideration was distributed amongst the partners as per their proportionate capital as at the end.

You are required to

- 1) Calculate the Purchase Consideration
- 2) Close the books of old partnership firm by preparing necessary ledger accounts.
- 3) Prepare Balance Sheet of the New company as per the revised Schedule VI.

OR

Q.4. [B]

[15 MARKS]

Arya Traders, Navi Mumbai imported goods worth \$ 320000 from Flemingo Ltd. on 15th January 2017.

When the exchange rate was \$1 = Rs.69.50. The payment schedule was as follows:

DATE	PAID IN \$	EXCHANGE RATE PER \$
25.01.2017	80000	69.75
20.02.2017	120000	68.00
10.03.2017	80000	68.50
05.04.2017	40000	67.50

Arya Traders closes its books on 31st March every year. The exchange rate on 31st March 2017 was Rs.68.25 per \$.

You are required to prepare:

1. Journal entries in the books of Arya Traders for the above transactions.
2. Foreign Exchange Fluctuation Account.

Q.5. [A]

[15 MARKS]

[i] Explain features of a Partnership firm?

[08]

[ii] Elaborate the procedure of accounting of a partnership firm with reference to admission of a partner?

[07]

OR

Q.5. [B] WRITE SHORT NOTES [Any 3]

[15 MARKS]

1. Adjustments in final accounts on retirement of a partner.
2. Order of payment in piecemeal distribution.
3. Need for Conversion of a partnership firm.
4. Types of rate applicable on foreign exchange transactions.
5. Rules applicable in absence of partnership deed.

SYDAA - Sem III
Cost Acc & Methods P-II

Oct-2018

Duration: 2½ hours

Max. Marks : 75

Note: All questions are compulsory.
All questions carry 15 marks.
Figures to the right indicate full marks.
Use Simple Calculator.
Working should form part of answer.

Q1 (A) Fill in the blanks with the correct alternative and rewrite

8 marks

(Any 8 out of 10)

1. Prime Cost is also known as _____ cost. (Direct / Indirect / Works)
2. Abnormal gain is excess of actual output over _____ output. (standard/normal)
3. Construction companies follow _____ costing. (Process / Contract)
4. _____ expenses are ignored while making Cost Sheet. (Selling / Financing)
5. _____ for joint product means apportionment of joint cost to each of the joint products. (Accounting / Allocation)
6. Dividend received is shown in _____ a/c (Cost / Financial)
7. _____ expense is an example of Selling Overheads. (Rent / Advertisement)
8. _____ is valued in terms of cost. (Work uncertified / Work certified)
9. Process Cost per unit = (Process Cost - Scrap Value of Normal Loss) ÷ _____ (Actual Output / Normal Output)
10. Cost of Secondary Packing Material is treated as _____. (Direct Cost / Selling Overhead)

Q1 (B) State whether following statements are True or False and rewrite the sentences

(Any 7 out of 10)

7 Marks

1. Cost of Production = Works Cost + Administrative Overheads
2. Notional Rent is shown in Cost Accounts.
3. Need for reconciliation arises because of difference in valuation of stocks in cost and financial accounts.
4. In process costing, Abnormal gain is not valued at process cost per unit.
5. Under physical unit method of apportionment of joint cost, joint cost is divided by total units of joint products produced.
6. Joint costs refer to the total costs incurred after the Split Off Point.
7. While making Estimated Cost Sheet, Administrative Overheads can be recovered as a percentage of Works Cost.
8. If contract is 80% complete, then 1/3rd of Notional Profit is transferred to P&L a/c.
9. If cash received is Rs. 10,00,000 being 50% of Work Certified, then value of work certifies is Rs. 15,00,000.
10. A contract is a big job involving small outlay of expenditure.

Q2 (A)

15 marks

Followings details are furnished by MBA LTD. of expenses incurred during the year ended 31st March 2018.

Particulars	Amount
Direct Material (Units?)	3,50,000
Opening stock of finished goods (1000 units)	85,000
Closing stock of Finished goods (2000 units)	?
Depreciation on Plant and Machinery	95,000
Trade Fair express	85,000
Direct expenses	1,60,000
General Manager's Salary	3,50,000
Dividend paid	8,000
Direct Wages	2,50,000
Advertisement	1,85,000
Depreciation on Office Computers	1,70,000
Depreciation on Delivery Van	1,10,000
Office Maintenance Charges	1,80,000
Factory rent	1,50,000
Sales (19000 units)	22,80,000

Closing stock of finished goods to be valued at cost of production.

You are required to prepare cost sheet showing various elements of cost both in total and per unit and also find out total profit and per unit profit.

OR

Q 2 (B)

8+7 = 15 marks

From the following particulars, you are required to prepare Cost Sheet

Particulars	Amount
Opening stock of Direct Materials	61,700
Work in Progress at commencement	1,21,700
Purchase of Direct Materials	2,86,500
Direct Wages	3,57,000
Factory on cost	1,99,500
Selling on cost	70,000
Management on cost	1,10,000
Sales	12,50,000
Closing stock of Direct materials	75,400
Closing work-in-progress	1,35,600

(ii) From the following information you are required to prepare a statement reconciling the results of cost books:

Particulars	Amount
Net Profit as per financials books	51,052
Work overheads under recovery in cost books	1,001
Depreciation charged in financial books	13,000
Depreciation charged in Cost books	14,326
Obsolescence loss charged in Financial books only	2,021
Income tax provided in financial books only	2,626
Interest received but not recorded in Cost Book	3,031
Bank interest debited in financial books only	292

Q 3 (A)

15 marks

The following is the summary of the entries in a contract ledger as on 31st December, 2017 in respect of Contract No. 51:

Particulars	Rs.
Material (Direct)	60,000
Materials (from stores)	13,000
Wages	34,600
Direct Expenses	13,400
Establishment charges	16,000
Plant	68,400
Sale of scrap	3,640

You are given the following information:

Accruals on 31-12-2017 are: Wages Rs. 1,600 and Direct Expenses Rs. 2,200

Depreciation on plant up to 31-12-2017 is Rs. 17,100

Work Uncertified was Rs. 9,000

Materials on site on 31-12-2017 cost Rs. 20,000

Work certified was Rs. 1,25,000

Prepare contract account no. 51 and show that profit & loss should be taken into account for the year ended 31st December 2017.

OR

Q 3 (B)

15 marks

The following is the summary of the entries in a Contract Ledger as on 31st December 2017 in respect of Contract No. 535.

Particulars	Rs.
Material bought directly	65,000
Materials from store	5,000
Wages	30,000
Direct expenses	13,000
Establishment charges (apportioned)	15,000
Common plant sent to site	50,000
Scrap sold	2,000

The further information is as follows:

Accruals on 31st December 2017 were wages Rs. 1,000 and direct expenses Rs. 3,000

The cost of work uncertified was Rs. 8,000

Rs. 4,000 worth of materials were destroyed by fire.

Materials costing Rs. 3,000 were sold for Rs. 4,000.

Depreciation till 31-12-2017 on plant was Rs. 12,000

Materials at site were Rs. 6,000

Cash received from the Contractee was Rs. 1,40,000 being 80% of work certified.

Contract price was Rs. 2,50,000.

Transfer 2/3rd profit on cash basis to P&L A/c.

Prepare Contract Account.

Q 4 (A)

15 marks

In a factory the product passes through 2 process, A and B. A weight loss of 5% is allowed in process A and 2% in process B, nothing being realized by disposal of the wastage. During April 2017, 10,000 units of material costing Rs. 6 per unit were introduced in Process A. The other costs were as follows:

Particulars	Process A (Rs.)	Process B (Rs.)
Materials	-	-
Labour	10,000	12,000
Overheads	6,000	4,600

Abnormal loss is sold at Rs. 10 per unit. The output was 9,400 units from the process which was transferred to Process B. 9,200 units were produced by Process B, which were transferred to the warehouse. Prepare Process Accounts A and B, assuming there were no opening stocks of any type. Also prepare Normal Loss a/c and Abnormal Loss a/c.

OR

Q 4 (B)

15 marks

A product passes through 3 process and 40,000 units were introduced in Process A at cost of Rs. 30,000. The following further information is available:

Particulars	Process A	Process B	Process C
Sundry Materials	20,000	4,000	2,000
Direct Labour	6,000	3,000	1,500
Direct Expenses	1,920	5,600	4,200
Output (Units)	38,000	37,000	34,000
Opening Stock (Units)	6,000	3,000	4,000
Closing Stock (Units)	4,000	5,000	9,500
Opening Stock Valuation (Per unit)	1.40	1.80	2.50
% of Normal wastages	4%	5%	10%
Scrap Sales price (Per unit)	0.20	0.30	0.40

The closing stock in each process is valued at respective process cost.

Prepare Process A, B and C Accounts and Process A, B and C Stock Accounts.

Q 5 (a) Explain advantages and disadvantages of Process Costing.

8 marks

Q 5 (b) Explain meaning and utility of Cost Sheet.

7 marks

OR

Q 5 (c) Write short notes (Any three)

3*5 = 15 marks

- Explain classification of cost on the basis of elements.
- Explain need for reconciliation between cost a/c and financial a/c.
- Explain advantages of contract costing.
- Explain applicability of process costing.
- Explain the concept of work certified and work uncertified.

[Time: 2 ½ Hours]

[Marks: 75]

- N.B.
1. Q. 1 is compulsory.
 2. Q.2 to Q.5 are compulsory with internal choice.
 3. Figures to the right indicate full marks.
 4. Workings should form a part of your answer.
 5. Use of simple calculator is allowed.

Q1A. Multiple choice questions [Answer any 08]

[08]

1. Under the head Income from Business or Profession, the method of accounting which an assessee can follow is:
a. Mercantile system b. Cash system c. either of (a) or (b)
2. Export incentives received by an assessee are:
a. Exempt b. Taxable as business income c. Exempt upto certain limit
3. The asset of a particular block is acquired and "Put to use" during the previous year for less than 180 days, the assessee shall charge depreciation at:
a. Normal rate b. 50% of Normal rate c. No depreciation is allowed
4. Standard deduction under Section 24 (a) of Income from House property is:
a. 1/3rd of Net Annual value b. Rs. 30,000 c. 30% of Net Annual value
5. The quantum of deduction u/s 80U is
a. Rs. 80,000 b. Rs. 75,000 c. Rs. 70,000
6. Very senior citizen u/s 80D means attaining _____ years any time during the previous year.
a. 75 b. 85 c. 80
7. Annual interest accrued on NSC VIII issue shall be
a. exempt from tax b. taxable on receipt c. taxable on accrual basis
8. Profession tax deducted is allowed on _____.
a. Accrual basis b. payment basis c. both (a) & (b)
9. Tax allowed as deduction while computing the business income is
a. Wealth tax b. Income tax c. Sales tax
10. The amount of payment made in cash towards any expenditure is allowed as deduction upto:
a. Rs. 25,000 b. Rs. 20,000 c. Rs. 10,000

Q1B. State whether the following sentences are True or False [answer any 07]

[07]

- a. AOP consists of individuals only as members.
- b. Rent received from letting out any asset is income from house property.
- c. Income means any receipt in cash.
- d. Residential status is determined for Assessment year.
- e. Unrealised rent is deducted from Net Annual Value.
- f. Deduction under section 37(1) is allowed for expenses of capital nature.
- g. Amount brought to India out of past profits is taxed in the year of remittance.
- h. Advance against salary is taxable but advance of salary is not taxable.

- i. Income received by a software professional in UK from the Indian company is taxable in India.
- j. Charging section for business income is Sec.28

Q2. Mr. Atul who is totally blind is employed with XBTR Ltd. The details of his salary for the previous year 2017-18 are as follows: [15]

Particulars	Rs.
Basic Salary	8000 p.m.
Dearness Allowance	75% of Basic Salary
H.R.A [exempt amount Rs. 400/- p.m. u/s 10(13A)]	20% of Basic Salary
Entertainment allowance	2000 p.m.
Arrear Salary	5000
Advance against salary	6000
Contribution of employer to Recognised Provident fund in excess of prescribed limits	2300
Interest on recognised provident fund in excess of prescribed limits	780
Bonus equal to 2 months basic was declared	
Amount spent by him on entertainment	500 p.m.
Education allowance [exempt u/s 10(14) - Rs. 1200/- p.a.]	600 p.m.
Perquisite value of vehicle provided by employer for personal use	4000
Professional tax deducted from salary	200 p.m.
He paid medical insurance premium for himself and his wife by cheque	7000 p.a.

Compute the net taxable income for Assessment year 2018-19.

OR

Q2A. Mr. Jazz, an American citizen, furnishes the following particulars regarding his income earned during the previous year relevant to Assessment Year 2018-19. [07]

Sl. no.	Particulars	Rs.
1	Interest on Nepal Development Bond (1/3 received in India)	21,000
2	Income from Agriculture in Bangladesh	40,000
3	Rent from property in Japan received in USA	10,000
4	Income earned from business in London controlled from Delhi (Rs. 15,000 received in India)	35,000

Find his Gross Total Income if he is (i) Resident and Ordinarily Resident (ii) Resident but Not ordinarily Resident (iii) Non-resident in India for the Assessment Year 2018-19.

Q2 B. [08]

Mr. Kumar retires from Aeroforbs Pvt. Ltd. on 30th June, 2017. He gets pension of Rs.28,000/- per month upto 31st January, 2018. With effect from 1st February, 2018 he gets 75% of pension commuted for Rs.126,000/- . Pension becomes due on last day of each month. Determine the taxable amount of pension under two circumstances:

- i. If he receives gratuity, and
- ii. If he does not receive gratuity.

Q3. Following is the Income and Expenditure Account of Dr. Ranveer. Compute his total taxable income for the Assessment Year 2018-19 [15]

Income and Expenditure Account for the year ended 31st March, 2018

Expenditure	Rs.	Income	Rs.
To Staff Salaries	120,000	By Consulting charges	400,000
To Dispensary expenses	67,500	By Visit fees	100,000
To Dispensary rent	60,000	By Gift from patients	40,000
To Purchase of Medicines	45,000	By Sale of Medicines at Dispensary	80,000
To Income tax	35,000	By Rent from House Property	120,000
To Professional fees to doctors	22,000		
To Car expenses (for professional purpose)	36,400		
To Membership fees	2,000		
To Municipal tax for rented house	12,000		
To Interest on Housing loan for rented house	18,000		
To Printing Charges	4,000		
To Depreciation	48,000		
To Charity	1,500		
To Surplus for the year	268,600		
	740,000		740,000

- Gift from patients include Rs. 1000/- from his father in personal capacity.
- Depreciation as per Income tax rules Rs.45,000.
- He paid Medical insurance by cheque – Rs.8,000/-.
- He purchased National Savings Certificates worth Rs.30,000 and paid LIC premium of Rs.60,000/-.
- He paid Rs. 20,000 to National Housing bank towards repayment of principal loan amount.

Compute the taxable income of Dr. Ranveer for the Assessment Year 2018-2019.

OR

Q3 A. Mrs. Geeta purchased a house property Rs. 200,000 in the year 1970-71. [08]

The following expenses were incurred for the property:

- Cost of construction in the year 1978-79 – Rs150,000
- Cost of construction of the 1st floor in 2004-2005 – Rs. 350,000
- Alteration of House property in 2013-14 – Rs. 300,000
- Fair market value of the property on 1st April, 2001 is Rs.500,000/-. The house property is sold to Mr. Alok in the previous year 2017-18 for Rs.50,00,000/-
- Expenses incurred on transfer during the previous year Rs. 5,000/-

Compute capital gains for Assessment Year 2018-19.

[Cost of Inflation Index: 2001-02: 100; 2004-05: 113; 2013-14: 200; 2017-18: 272]

Q3 B. Ascertain the legal status of the following persons:

[07]

- Pune University
- Akruti Associates Pvt. Ltd.
- Thane Municipal Corporation
- Kalpana Co-op. Housing Society
- M/s Karuna & Associates (unregistered partnership)
- Palghar Gram Panchayat
- Master Satish, a lunatic

Q4. Mr. Munnar is the purchase manager of W.V. Pvt. Ltd. His net taxable income under the head Salaries is Rs. 136,000/-. Particulars of his other income are as follows:

[15]

Sl. No.	Particulars	Rs.
i.	Income from Units of Unit Trust of India	4,000
ii.	Income form Company deposit scheme	1,000
iii.	Dividend from Indian companies	4,000
iv.	Dividend from foreign company	2,000
v.	Interest on P.P.F A/c with SBI	1,500
vi.	Interest on Fixed deposits with Bank of Maharashtra	3,000
vii.	Interest on Central Government Securities	2,000
viii.	Contribution to LIC premium u/s 80 CCC	10,000
ix.	Deposit in P.P.F A/c made during the year	70,000
x.	Deposit made in 5 years Term Deposit with Schedule Bank eligible u/s 80C	30,000

He spent Rs. 49,000 on his wife who is severally disable as defined u/s 80DD. However, she has claimed deduction u/s 80U while computing her total income.

You are to compute his net taxable income for the Assessment Year 2018-19.

OR

Q4. Mr. Norman is a co-owner of a house property along with his brother.

[15]

Information regarding the house property is stated as below:

Particulars	Rs.
Municipal value of the Property	320,000
Fair Rent	300,000
Standard rent	340,000
Rent Received	30,000 p.m.

The loan for the construction of this house property is jointly taken and the interest charged by the bank is Rs.50,000 of which Rs. 42,000 has been paid. Interest on the unpaid interest is Rs.900. To repay this loan, Norman and his brother took another fresh loan and interest charged on this loan is Rs. 10,000. The Municipal tax of Rs.10,200 has been paid by the tenant.

Compute the income of Mr. Norman for the Assessment Year 2018-19 after considering the following details further:

- Interest accrued on Fixed Deposits with Banks Rs. 10,000/-
- Interest accrued on Public Provident fund Rs. 2,000/-
- Investment in Public Provident Fund Rs. 60,000/-
- Paid Rs. 25,000 by cheque as premium for medical insurance policy for self.

Q5. a. Explain in details items of income included in 'Profit in Lieu of Salary' under the head Income from Salary. [08]

Q5. b. What are capital assets u/s 2(14) of Income tax Act. Explain in details [07]

OR

Q5. Short Notes (Answer any 3) [15]

- a. Perquisites
- b. Exemption of Gratuity u/s 10(10)
- c. Residential Status
- d. Remuneration of partners u/s 40(b)
- e. Cost Inflation Index