

TyBAAF - Sem - VI

May - 2019

Duration: 2.5 hours

Marks-75

- Note: 1) All questions are compulsory.
2) Working Notes should form part of your answer.
3) Figures to the right indicate full marks.

Q.1. (A) Select the correct alternatives and rewrite the sentence. (Any 8) (08)

- 1) At present electricity Companies are governed by _____.
a) Electricity Act 1910
b) Electricity (Supply) Act 1948
c) Electricity Regulatory Companies Act 1998
d) Electricity Act 2003
- 2) The Whole of the day to day management of a co-operative society vests in _____.
a) The general body
b) The managing committee
c) The secretary
d) The chairman
- 3) Value of share of each member in capital of the society _____.
a) Rs.250
b) Rs.300
c) Rs.1500
d) Rs.3000
- 4) Interest is always calculated on the _____.
a) Market value of the security
b) Nominal value of the security
c) Book value of the security
d) Weighted average cost of the security
- 5) The cost of right shares is _____.
a) Added to the cost of investment
b) Subtracted from the cost of investment
c) No treatment is required
d) None of the above.
- 6) _____ is the fluctuating Income Bearing security.
a) Debenture
b) Equity Shares
c) Preference Shares
d) Government Security
- 7) The maximum load that fund can charge is determined by the _____.
a) AMC
b) SEBI
c) AMFI
d) Distribution agents based on demand for the fund
- 8) The NAV of the mutual Fund _____.
a) Is always constant
b) Keeps going up at steady rate
c) Fluctuates with market price movements
d) Cannot go down at all
- 9) A mutual Fund in India is a _____.
a) Body corporate
b) Company
c) Trust
d) An asset management company.

OR

Q.2. b. The Trial Balance of GLA Electric Supply Ltd. For the year ended 31st March, 2019 is as below:

Particulars	(15)	
	Dr. ₹(000)	Cr. ₹(000)
Share Capital:		
60,00,000 Equity shares of Rs. 10 each		60,000
Patents and Trademarks	2,000	-
14% Debentures	-	24,000
11% Term Loan	-	14,000
Land	12,400	-
Building	34,000	-
Power Plant	60,000	-
Electrical Instruments	5,600	-
Capital Reserves	-	7,200
Contingency Reserves	-	12,000
Transformers	16,400	-
Net Revenue Account	-	6,800
Inventories	11,600	-
Trade Receivables	6,400	-
Contingency Reserve Investments	12,000	-
Bank Balance	2,400	-
Public Lamps	3,200	-
Depreciation Fund		24,000
Trade Payables		6,000
Declared Dividend		12,000
	1,66,000	1,66,000

Prepare Balance sheet of GLA Electric Supply for the year ended 31st March, 2019.

Q.3. a. During the year ended 31st March 2018 Mr. Amod bought and sold the following 12% debentures of Rs.100 each of Sunshine Ltd. Interest being payable by Sunshine ltd on 1st April and 1st October every year.

(15)

Date	Particulars
1st June 2017	Bought 300 Debentures at 92 ex-Interest
1st September 2017	Bought 100 Debentures at 94 cum-Interest
1st December 2017	Sold 200 Debentures at 95 ex-Interest
1st February 2018	Bought 150 Debentures at 98 cum-Interest

Books are closed on 31st March every year. Market Price on 31st March 2018 was Rs.90 per debenture. You are required to prepare Investment in 12% Debentures in Sunshine Ltd. Account for the year ended 31st March, 2018 in the books of Mr. Amod.

OR

Q.3 b. Mr. Sawant entered in to the following transactions of purchases and sale of equity shares of Rainbow ltd. The shares have paid up value of Rs.10 per share. (15)

Date	No of Shares	Terms
01-01-2018	600	Buy @ Rs.20 per share
15-03-2018	900	Buy @ Rs.25 per share
20-05-2018	1000	Buy @ Rs.22per share
25-07-2018	2500	Bonus shares received
20-12-2018	1500	Sale @ Rs.22 per share
01-02-2019	1000	Sale @ Rs.24 per share

Additional Information

1. On 15th September 2018 dividend @ Rs.3 per share was received for the year ended 31st march 2018.
2. On 12th November 2018 the company made right issue of equity shares in the ratio of one share for five shares held on payment of Rs.20 per share. He subscribed to 60% of the shares and renounced the remaining shares on receipt of premium of Rs.3 per share.
3. Shares are to be valued on weighted average cost basis.

You are required to prepare Investment Account for the year ended 31-03-2018 and 31-03-2019.

Q.4 (A)

Calculate the NAV of a Mutual fund from the following information: (08)

On 1/4/2017

Outstanding units 1 Crore of Rs.10 each= Rs.10 Crores (Market value Rs.16 Crores)

Outstanding Liability Rs.5 Crore.

Other Information

- 20 lakhs units were sold during the year at Rs.24 per unit.
- No additional investments were made during the year and as at the year end 50% of the investment held at the beginning of the year were quoted at 80% of book value.
- 10% of the investment have declined permanently 10 % below cost
- At the year 31/03/2018 outstanding liabilities were Rs.1 Crore.
- Remaining Investments were quoted at Rs.13 crores.

Q.4(B)

The investment portfolio of a mutual fund scheme includes 5000 shares of A ltd and 4000 shares of B ltd acquired on 31stDecember 2016. The cost of A ltd's share is Rs.40 while B ltd's shares is Rs.60. The market value of these shares at the end of the 2016-17 was Rs.38 and Rs.64 respectively. On 30/06/2017, shares of both the companies were disposed off realising Rs.37 per A ltd's share and Rs. 67 per Y ltd's share. Show important accounting entries in the books of the fund for the accounting years 2016-17 and 2017-18 (07)

OR

Q.4 (C)

(15)

A Metro Mutual fund Co. has the following assets under it on the close of business as on:

Company	No of shares	1 st February 2012 Market price per share (Rs)	2 nd February 2012 Market price per share (Rs)
NG	20,000	20.00	20.50
MD	30,000	312.40	360.00
PC	20,000	361.20	382.10
PS	60,000	505.10	503.90

Total No of Units 6,00,000

1. Calculate Net Asset Value (NAV) of the fund
2. Assuming One Mr. A, submits a cheque Rs.30,00,000 to the mutual fund and the mutual fund manager of this company purchases 8,000 shares of MD ltd and the balance amount is held in Bank. In such a case what would be the position of the fund.
3. Find new NAV of the fund as on 2nd February,2012.

Q.5 A Discuss the meaning and features of Mutual Fund.

(08)

Q.5 B Explain effect of Ex-interest and Cum-Interest price on Accounting.

(07)

OR

Q.5 C Write short note on (Any 3)

(15)

1. Pre acquisition dividend.
2. Types of Mutual Fund
3. Reserve Fund in Co-op housing society.
4. Accounting for Depreciation for Electricity accounts
5. Large Cap, Mid Cap and Small Cap mutual funds.

TYBAF - Sem - VI
MAY - 2019

(2½ Hours)

[Total Marks 75]

Q.1A) State whether the statements are True or False (Rewrite the sentence) Any eight (08)

- 1) Sales budget can be prepared only area wise
- 2) Purchase Budget can be determined only in quantity
- 3) Absorption costing and Marginal costing are same
- 4) Effect of price reduction always improves profit volume ratio
- 5) Under Marginal Costing stocks are over valued
- 6) Variable cost per unit remains constant at all level of activity
- 7) Imputed cost is also known as Notional cost
- 8) Margin of Safety determines profit of the Organization
- 9) Increase in Profit Volume ratio decreases Break Even Point
- 10) Cash Budget determines budgeted receipts and payments

B) Match the Following Any seven (07)

1	Key factor	A	Non cash item
2	Marginal Cost	B	Gang composition
3	Sale mix	D	In quantity
4	Budgetary Control	D	Part of Material usage variance
5	Standard Costing	E	Fixed and variable overheads
6	Flexible budget	F	Predetermined
7	Material yield variance	G	Budget Manual
8	Production budget	H	Multiple products
9	Labour mix variance	I	Prime cost + variable overheads
10	Depreciation	J	Limiting factor

Q2) ABC Ltd Furnishes you the following income information for the Year 2018 (15)

	First Half	Second Half
Total cost	8,00,000	14,00,000
Profit earned	2,00,000	6,00,000

From the above you asked to compute the following assuming that the fixed cost remains the same in both the periods

1. Profit/Volume Ratio
2. Fixed cost Annual
3. Sales, required to earn the profit of ₹ 7,50,000.
4. Profit required to earn, at sales of ₹ 45,00,000
5. BEP for the whole year

OR

Q2) Akash Ltd produces three Product I, J, and K From the same manufacturing facilities. The cost and other details of the three products are as follows: (15)

Particulars	I	J	K
Selling Price Per Unit (₹)	250	200	150
Variable Cost Per unit (₹)	150	150	60
Fixed Cost per month ₹3,00,000			
Maximum Production per month (units)	6000	10000	8000
Total Hours available for the month 400 hours			
Maximum Demand per month (units)	4000	6000	4800

The Processing hours cannot be increased beyond 400 hour per month

You are required

- Compute the most profitable product mix
- Compute the overall break even sales of the company for the month based on the mix Calculated in (a) above

Q3) Prepare a Cash Budget of Raigad Ltd. for March, April and May 2019 from the following information given below: (15)

Months	Sales(₹)	Purchases(₹)	Wages (₹)	Expenses (₹)
Jan	1,80,000	70,000	20,000	5,000
Feb	1,50,000	60,000	18,000	8,000
March	1,40,000	80,000	25,000	9,000
April	1,00,000	60,000	24,000	8,000
May	90,000	50,000	20,000	6,000
June	80,000	40,000	18,000	5,000

Additional Information:

- 20% of the purchases and 10 % of sales are for cash.
- The average collection period of the company is ½ month.
- Credit purchases are paid regularly after one month.
- Delay in payment of wages ¼ month.
- Sales commission of 2% of Total Sales is to be paid in the month following actual sales.
- Rent of ₹2000 included in expenses is paid monthly and other expenses are paid after one month lag.
- Cash balance on May 31st, 2019 may be assumed to be ₹ 65000.
- Dividend of ₹ 5,000 will be received in May 2019.

OR

Q3 Prepare a Flexible budget of Kothaligad ltd at 50% & 75% capacity with per unit and calculate profit, on the basis of the following data. (15)

Variable overheads:	At 60% capacity- (6000 units) (₹)
Direct Material	15
Labour	9
Semi-variable overheads:	
Electricity: (40% Fixed)	10

Repairs: (20% Variable)	15
Fixed overheads:	
Depreciation	25,000
Insurance	12,500
Salaries	30,000

Profit 25% on Sales.

Estimated direct labour hours- 72,000.

OR

Q.4 From the following information about sales calculate: (15)

- (a) Sales Value Variance (d) Sales Mix Variance
 (b) Sales Price Variance (e) Sales Quantity Variance
 (c) Sales Volume Variance

Product	Standard		Actual	
	Units	Price Per Unit ₹	Units	Price Per Unit ₹
X	50,000	6	60,000	7
Y	22,000	7	30,000	8
Z	28,000	8	30,000	8

OR

Q4. From the following, calculate Labour Variances: (15)

Types of Workers	Standard			Actual		
	No. of Workers	No. of Hours	Rate per ₹ Hour	No. of Workers	No. of Hours	Rate per ₹ Hour
Skilled	40	50	4.00	35	50	4.50
Semi Skilled	20	20	3.00	30	30	3.00
Unskilled	20	30	2.00	26	25	2.50

Budgeted and Actual outputs are same

Q.5 A) Distinguish between Absorption costing and Marginal costing (08)

B) Explain budgetary control along with its advantage and disadvantage (07)

OR

Q5 Write short notes (any three) (15)

- Zero based budgeting
- Cost volume Profit relationship
- Budget manual
- Fixed Overhead variance
- Standard cost

JYBAF - Sem - VI
May - 2019
(2 ½ Hours)

Marks : 75

Q.1. A) Select the correct alternative from the choices given below and rewrite the statement. (Any 8) (8)

1. Under Net Asset Value method value of shares are depends on _____
 - a) Net asset available to equity shareholders
 - b) Net assets available to debenture holders
 - c) Net assets available to preference shareholders
 - d) None of the above

2. Fair value of the share is equal to _____
 - a) Intrinsic value only
 - b) Yield value only
 - c) Average of Intrinsic value and Yield value
 - d) None of the above

3. Amalgamation is governed by _____
 - a) AS14
 - b) AS 3
 - c) AS 21
 - d) AS 32

4. A new company is formed under _____
 - a) Absorption
 - b) Reconstruction
 - c) Amalgamation
 - d) All of the above

5. Balance of capital reduction should be transfer to _____
 - a) Security premium
 - b) Capital reserve
 - c) Share capital
 - d) Profit & Loss Account

6. In case of Lease legal title is with _____
 - a) Lessor
 - b) Lessee
 - c) Agent
 - d) None of the above

7. Internal reconstruction requires _____
- Special resolution passed at General meeting
 - Special resolution passed at Board meeting
 - Ordinary resolution passed at General meeting
 - Ordinary resolution passed at Board meeting.
8. Installment is equal to _____
- Principal + Interest
 - Principal- Interest
 - Cash Price+ Interest
 - Cash Price- Down Payment
9. Initial payment made on signing of agreement is _____
- Down payment
 - Hire purchase price
 - Cash price
 - Interest
10. Factoring involves _____
- Management of debtors
 - Borrowing from banks
 - Borrowing against Bills of exchange
 - Payment of creditors

Q.1. B) State whether following statements are True or False.(Any 7)

(7)

- Net Asset value method is based on the assumption that the company is going to liquidated.
- Discounted Cash Flow method considers time value of money.
- Merger of two companies operating in the same market is called horizontal merger and amalgamation.
- A situation where combined firm is more valuable than the sum of the individual combined firm is called synergy.
- Corporate restructuring changes organization structure.
- Capital reduction requires approval from the High Court.
- In case of any default, the factor has to bear risk of loss due to bad debts.
- Working capital finance is provided against inventories.
- Lease rental increase tax liability.
- Under hire purchase system purchaser become owner of goods on signing of agreement.

Q.2. A) Following is the summarized balance sheet of Suzuki Ltd. as on 31st March 2019. (15)

Liabilities	Rs.	Assets	Rs.
Share capital		Land and Building	2,30,000
600, 10% Preference shares of Rs. 100 each fully Paid	60,000	Plant and Machinery	2,50,000
6000, Equity shares of Rs. 100 each fully paid	6,00,000	Stock	1,10,000
Reserves and Surplus	1,50,000	Debtors	40,000
Secured loan		Cash at bank	1,50,000
600, 9% debentures of Rs. 100 each	60,000	Cash in hand	60,000
Sundry creditors	60,000	Investment in 10% Govt. Securities	50,000
		Preliminary expenses	40,000
	9,30,000		9,30,000

The average net profit earned by the company amount Rs. 1, 14,000. Every year an amount equal to 10% of the profit earned was transferred to general reserve. The industry average rate of return is 10% of the share value .On 31st March 2019 independent expert valuer has assessed the values of following assets:

Assets	Rs.
Goodwill	2,07,000
Land and building	2,40,000
Plant and Machinery	2,40,000
Stock	1,20,000
Debtors	30,000
Investment in 10% Govt. securities	60,000

On the basis of above information calculate the value of equity shares of company by

- Net Asset Method
- Yield Method
- Also calculate fair value of the company's share considering above two methods.

OR

Q.2 B) Calculate EVA from the following information. (8)

Debt= Rs. 250 Crore
 Equity= Rs. 500 Crore
 Cost of debt (after tax) = 8%
 Cost of equity= 15%
 EBIT (Operating Profit) = 92 crore
 Tax rate= 40%

Q.2. C) Calculate MVA from the following information of Alpha Ltd. (7)

Balance Sheet of Alpha Ltd. as on 31st March 2019

Liabilities	Rs. In Lakhs	Assets	Rs. in Lakhs
Equity Share Capital of Rs. 10 each	1,200	Building	1,800
Retained earning	600	Machinery	800
8% Term loan	800	Stock	100
Bills Payable	350	Debtors	80
Provision	430	Bank	600
	3380		3380

Profit After Tax (PAT) = Rs. 2, 271 (in Lakhs), P/E Ratio = 2

Q.3. A) Zigma Ltd is intending to acquire Sigma Ltd. by merger and following information is available in respect of the companies. (15)

Particulars	Zigma Ltd.	Sigma Ltd.
Equity Share capital of Rs. 10 each (Rs. lakhs)	450	180
Earnings After Tax (Rs. Lakhs)	90	18
Market price of each Share(Rs.)	60	37

On the basis of above information you are required to calculate following:

- What is the present EPS of both the companies?
- What is the present Price Earning Ratios (PE ratios) of both the companies?
- If proposed merger takes place , What would be the new EPS for Zigma Ltd. (assuming that the merger takes place by exchange of equity shares and the exchange ratio is based on the current market price)
- What should be the exchange ratio, if Sigma Ltd. Want to ensure the same EPS to members as before the merger takes place?

OR

Q. 3.B) Raghav takes an asset on finance lease from Rama Ltd. the terms of which are given below: (8)

- Lease Term : 4 years
- Fair value of asset at the inception of Lease: Rs. 12,50,000
- Lease Rent : Rs. 4,00,000 at the end of year
- Expected residual value : Rs. 1,88,000
- Implicit rate of interest; 15%

You are required to prepare loan amortization schedule

Q.3. C) Ram Ltd. Purchased machinery from Sham Ltd. under hire purchase basis. (7)

The details of purchase are:

- Cash Prize: Rs. 1,58,000
- Down payment: 20%
- Balance amount to be paid in 3 yearly installment of Rs. 12, 00,000 each.
- Rate of interest is 10%

Prepare table to show analysis of payment and calculation of interest.

Q.4 A)Following is the Balance Sheet of Gangram Ltd. On 31st March 2019. (15)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share Capital		Goodwill	50,000
4,000 preference shares of Rs. 100 each	4,00,000	Premises	1,50,000
3,000 Preference shares of Rs. 100 each	3,00,000	Machinery	4,00,000
10% Mortgage debentures	2,00,000	Stock in trade	60,000
Sundry Creditors	1,80,000	Sundry Debtors	1,00,000
		Profit & Loss A/c	3,20,000
	10,80,000		10,80,000

Owing to heavy losses the committee of shareholders and creditors approved the following scheme of reconstruction:

- Preference shares to be reduced to Rs. 75 each fully paid.
 - The equity shares to be reduced to Rs. 40 each fully paid up.
 - The debenture holders took over the stock and book debts in fully satisfaction of the amount due to them.
 - Sundry creditors agreed to reduce their claim to Rs. 1,30,000 which was to be satisfied by the issues of 3,250 fully paid shares of Rs. 40 each.
 - The goodwill and Profit and Loss A/c to be eliminated.
 - Premises to be appreciated by 20% and the machinery to be depreciated by Rs. 30,000.
- On the basis of above information pass journal entries, prepare capital reduction account and revised balance sheet after reconstruction.

OR

Q.4 B) PQR Ltd. is planning to lease the asset having total value of Rs. 1,00,000 on rentals of (8)
Rs. 35000 p.a. for five years. The following additional information is available.

- a) The company has an effective tax rate of 30%.
- b) The company employs a discounting rate of 16%

You required calculating net cash outflow of the company, if company opts for leasing of asset for five years, considering the above discount rate.

Q.4 C) L & T Company plans to issue commercial paper (CP) of Rs. 1,00,000 at a price (7)
of Rs. 98,000 with maturity period of 4 months. Company has also incurred following cost for issue of CP :

- a) Brokerage- 0.10%
- b) Rating Charges- 0.60%
- c) Stamp Duty- 0.15%

Find effective interest rate and the cost of fund.

Q.5. A) What are different approaches to valuation of business? (8)

B) Explain various advantages of merger and acquisition. (7)

OR

Q.5. Write note on the following. (Any 3) (15)

- A) Merger Vs Take over
 - B) Leasing Vs Hire purchase
 - C) Forms of restructuring
 - D) Takeover
 - E) Trade credits
-

TYBAA - Sem-VI
May-2019

DURATION : 2½ Hours

Total Marks: 75

NOTE: ALL QUESTIONS ARE COMPULSORY.

Q1.A. Match the column (Any Eight)

(8 Marks)

Sr. No.	Column A	Sr. No.	Column B
1	Electronic Liability Ledger	A	Input tax credit
2	Refund	B	Export by vessel or aircraft
3	Electronic Credit Ledger	C	All liabilities
4	Imported Goods	D	Under Section 2 (13) Custom Act
5	Shipping bill	E	All payments
6	Electronic cash Ledger	F	Taxable Purchase or Sales
7	TDS	G	Under Section 2 (19) Custom Act
8	TCS	H	Under Section 2 (25) Custom Act
9	Exported Goods	I	Under Section 54 CGST Act
10	Custom Station	J	Under Section 51 CGST Act
		K	Under Section 52 CGST Act

Q1. B State whether True or False (Any Seven)

(7 Marks)

1. Imports of light fitting by passenger including short visit abroad qualify as bonafide baggage.
2. Infant means a child not more than four years of age.
3. Baggage includes motor vehicles.
4. Landing charges are to be added to CIF value.
5. GST means Good night Sweet dream Take care.
6. A Dealer is liable for registration under GST Act, only if his Supply exceeds Rs. 20,00,000.
7. Maximum Rate of Interest is 8% U/S 50(1).
8. All services are Supply.
9. Temporary detention of Baggage if it includes import of prohibited items.
10. FOB means free on board.

Q2. A) The details of purchase and Sales of Mr. Ravikishan who started business during the financial year 2018-2019 are given as follows:

(15 Marks)

Particulars	Rs.
Intra State Supply of goods	18,00,000
Inter State Supply of goods	13,00,000
Intra State Purchases of goods	13,00,000
Inter State Purchases of goods	1,50,000
ITC at the beginning [op.bal.]	
CGST	1,30,000
SGST	1,30,000
IGST	1,70,000

If inward and outward supplies are exclusive of taxes. Find out whether he is liable for payment under GST, And Total GST Payable U/S 49 if tax rate is CGST, SGST, IGST is 9%, 9%, and 18%.

OR

Q2. B) ACS Ltd. Operating in Two States Andhra Pradesh and Tamil Nadu, the Tax Liability for the month of March 2019 is as follows:

(15 Marks)

Particulars	Andhra Pradesh	Tamil Nadu
	Rs.	Rs.
Output CGST payable	25,000	10,000
Output SGST payable	10,000	5,000
Output IGST payable	3,000	2,500
Input Credit CGST	8,000	13,000
Input Credit SGST	15,000	1,500
Input Credit IGST	12,000	16,000

Prepare different ledger and Find out whether ACS Ltd. is liable for payment under GST or Not?

Q3.A) 1. M/S Ravi Dyeing Pvt. Ltd. Supplied goods worth Rs. 10,00,000 to M/S Yunus Pvt. Ltd. in the month of September, 2017 plus GST 12%. M/S Ravi Dyeing Pvt. Paid the GST on 5th December 2018. The amount of input tax is 70,000 is available in the books. Calculate interest payable @18% pa U/S50 under CGST Act?

(5 Marks)

Q3.A) 2. The details of business transactions of Mr. Nandi who started business on 1st April 2019 are given below. If he has Rs. 5,00,000 in his electronic cash ledger suggest him order of discharge of liability U/S 49(8): (10 Marks)

Particulars	Rs.
Tax liability of CGST, SGST, IGST for supplied made during August 2018	1,00,000
Interest and penalty on delayed payment and filling of returns belonging to August 2018	20,000
Tax liability of CGST, SGST, IGST for supplied made during September 2018	1,20,000
Interest and penalty on delayed payment and filling of returns belonging to September 2018	20,000
Demand raised as per Section 73 or Section 74 under CGST Act,2017 belonging to January 2019	8,00,000
Demand raised as per the old provisions of Indirect Taxes	1,00,000

OR

Q3.B) 1. M/s Rose Ltd. has in its Electronic Credit Ledger Rs. 10,00,000 not paid the Tax Rs. 30,00,000 for the month of May 2018; on or before due date 20/06/2018. If Tax paid on 10/10/2018. Calculate interest payable@ 18% U/S50 under CGST Act? (5 Marks)

Q3.B) 2. Mr. Modi has output tax liability of Rs. 1,00,000 towards CGST and SGST/UTGST and Rs. 20,000 towards IGST and also interest payable of Rs. 1,800. Explain the manner of discharge of tax liability by Mr. Modi in following Two independent cases.

- ITC available of CGST, SGST of Rs. 5,000 each & IGST Rs. 25,000
- ITC not available

(10 Marks)

Q4.A) Product Z was imported by Mr. Rahul by Air. The details of import transaction are as follows:

Particulars	US \$
Price of Product Z at exporter's factory	16,000
Freight from factory of exporter to load airport (airport in the country of exporter)	500
Loading and handling charges at loading airport	500
Freight from loading airport to airport of importation in India	7,000
Insurance Charges	4,000
Rate of Exchange	Rs. 64 per US \$

Rate of Basic Custom Duty [BCD]	15%
Social Welfare Surcharge [SWS]	10%
Integrated Tax U/S 3(7)	12%

Calculate Total Value of Product Z in India. (15 Marks)

OR

Q4. B)1. Calculate Custom Duty Payable. (10 Marks)

Particulars	Rs.
CIF Price of Imported (Luxury Car)	40,00,000
Cost of Transportation	2,50,000
Cost of Insurance	80,000
Rate of Basic Custom Duty [BCD]	60%
Social Welfare Surcharge [SWS]	10%
Integrated Tax U/S 3(7)	28%
GST compensation cess	15%

Q4. B) 2. Mr. Robart an Indian resident of 35 years returned to India after visiting London on 10th April 2019. On his baggage he brought following items with him:

Particulars	Rs.
Goods with personal effects like cloths etc	60,000
10 liters of Wine	5,000
Cigars 100 worth	21,000
A Microwave oven	30,000
Rate of Basic Custom Duty [BCD]	35%
Social Welfare Surcharge [SWS]	10%

Calculate Custom Duty Payable. (5 Marks)

Q5.A) 1. Write any Eight Exempted Items from custom duty of Baggage Rules 2016 under Rule 3 from any annexure. (8 Marks)

Q5.A) 2. Goods includes as per definition of Custom Act any Seven. (7 Marks)

OR

Q5B) Write Short Notes Any Three: (15 Marks)

- 1) Scope of Foreign Trade Policy 2015-20.
- 2) Objectives of Foreign Trade Policy 2015-20.
- 3) Guiding principles of Foreign Trade Policy 2015-20.
- 4) Different Types of Duties as per Custom Act.
- 5) Different Types of Audit as per CGST Act.

Time: 2 ½ Hours

Marks: 75

Q 1 (a) Multiple Choice Question any Eight

(8)

- Debt equity ratio is _____ the better.
a) Higher b) Lower c) Profitability d) Liquidity
- The ideas of selecting securities in a portfolio based on coefficient of correlation of their returns were purported by _____.
a) William Sharpe b) Harry Markowitz c) Black and Scholes d) Walter
- The market risk refer to the variability in the _____ caused by the market up swings and market down swings.
a) Price b) profit c) Rate of return d) None of the above
- A _____ is simply a graphical representation of a series of prices over a set time frame.
a) Table b) Diagram c) Chart d) None of the above
- An _____ primary trend represents a bull market.
a) Sideward b) Positive c) Downward d) upward
- The graphical version of the CAPM is called _____ market line
a) Graphical b) Straight c) Security d) Positive
- _____ is use as denominator in Sharpe's Ratio
a) Standard Deviation b) beta c) Risk free Return d) Market Return
- _____ Analysis is a study based on market emotions and share price movements
a) Fundamental b) Technical c) Moral d) All of the above
- Beta reflects the stock risk for investor which is usually _____.
a) Collective b) Individual c) Linear d) Weighted
- Portfolio alpha is _____ of security alpha
a) Total b) Difference c) Simple average d) Weightage average

Q1 (b) State whether the following are True or false (any Seven)

(7)

- Repayment of debt will always increase return on net worth
- Portfolio means a combination of financial assets and physical assets.
- Buying and selling of securities does not involve transaction costs such as commission and brokerage.
- Fundamental analysis is a method of evaluating a security.
- Strong form covers the least amount of information.
- Stock turnover ratio is a liquidity ratio
- Treynor's measure ignores any unsystematic risk that might be present.
- Holding Period Return Annualized Return are one and same.
- Single index model is based on regression.
- Risk element is limited or very low in Gambling as compared to Investment

Q2) (a) Calculate the degree of operating leverage, degree of financial leverage and the degree of combined leverage & Earning Per Share for the following companies. (15)

Companies	X Ltd.	Y Ltd.	Z Ltd.
Sales [Rs.]	7,20,000	15,00,000	2,00,000
Variable Cost Per unit	20	150	2
Fixed Cost	1,44,000	2,80,000	30,000
Output (units)	12,000	3,000	20,000
Interest	80,000	1,60,000	NIL
Income-Tax Rate	30%	30%	30%
No of equity shares	2000	8000	1000

OR

Q2) (b) Given below are the likely returns in case of shares of Prasad Ltd and Pooja Ltd in the various economic conditions, both the shares are presently quoted at Rs 250 per share. (15)

ECONOMIC CONDITIONS	PROBABILITY	RETURNS OF PRASAD LTD	RETURNS OF POOJA LTD
High Growth	0.25	110	180
Low Growth	0.25	130	150
Stagnation	0.30	160	100
Recession	0.20	190	70

- Which of the companies is risky investment?
- Mr Rohan has Rs2000/- and he wants you to recommend one of the above two shares for an investment
- Would your answer change if the Probabilities changes to 0.40, 0.30, 0.20, 0.10 for various economic seniors

Q3) (a) Following Balance sheet & Profit & loss account of M/s Ideal Enterprises. Are given below: Balance Sheet As on 31/03/2018 (15)

Liabilities	Rs.	Assets	Rs.
Equity Share Capital [Rs. 100 Each]	3,20,000	Fixed Assets	7,36,000
10% Preference Share Capital	80,000	Trade Investment	24,000
General Reserve	2,40,000	Stocks	1,44,000
8% Debentures	2,40,000	Debtors	56,000
Sundry Creditors	70,000	Bills Receivable	32,000
Other Current Liabilities	50,000	Cash & Bank Balance	8,000
Total	10,00,000	Total	10,00,000

Profit & Loss A/c for the Year ending 31/03/2018

Particulars	Rs.	Particulars	Rs.
To Opening Stock	96,000	By Sales	15,84,000
To Purchases	3,20,000	By Closing Stock	1,44,000
To wages	4,00,000		
To Manufacturing Expenses	2,40,000		
To Administration Expenses	2,72,000		
To Selling & Distribution Expenses	2,40,000		
To Net Profit	1,60,000		
Total	17,28,000	Total	17,28,000

You are required to calculate the following Ratio's

[1] Current Ratio [2] Proprietary Ratio [3] Inventory Turnover Ratio [4] Capital Gearing Ratio [5] Average collection period [6] Receivable Turnover Ratio [7] Operating Cost Ratio

Note:- Assume All sales are on credit basis

Converting to vertical statement need not be required

OR

Q3) (b) Distinguish between CML and SML (8)

Q3) (c) Explain the difference types of investors (7)

Q4) (a) The rates of returns for security X and market portfolio for 10 periods are given below:- (15)

PERIOD	RETURN OF SECURITY X %	RETURNS OF MARKET PORTFOLIO %
1	20	22
2	22	20
3	25	18
4	21	16
5	18	20
6	-5	8
7	17	-6
8	19	5
9	-7	6
10	20	11

- 1) What is the beta of security X?
- 2) What is the characteristic line for security X by using CAPM?

OR

Q4) (b) As an investment manager you are given the following information: - (8)

INVESTMENT IN EQUITY SHARES	INITIAL PRICE	DIVIDENDS	MARKET PRICE AT THE END OF YEAR	BETA RISK FACTOR
Cement Ltd	25	2	50	0.8
Steel Ltd	35	2	60	0.7
Liquor Ltd	45	2	135	0.5
GOI Bonds	1000	140	1005	0.01

Risk free return may be taken at 14%. You are required to calculate:-

- i) Expected Rate of return of Portfolio in each case using CAPM
- ii) Average Return of Portfolio

Q4) (c) Calculate the beta factor of the following investment. Is acceptance of the investment worthwhile based upon the level of risk? The risk free rate may be taken at 6% (7)

PROBABILITY	MARKET RETURNS ON %	INVESTMENT
1/3	9	6
1/3	12	30
1/3	18	18

Q5) (a) What is technical analysis? Explain its principles. (8)

Q5) (b) Discuss types of charts used in technical analysis (7)

OR

Q5) (c) write Short note: (Any Three) (15)

1. Security market line
2. Arbitrage pricing theory
3. Advantage of portfolio management
4. Portfolio Evaluation
5. Moving Averages

TYBAA - Sem-VI
Ami - May - 2019

Duration: 2 ½ Hours

Marks: 75

- Note: 1. All questions are compulsory.
2. Figures to right indicate full marks.

Q1. (A) Select the appropriate answer and rewrite the following statement: (Any 8) (08)

1. A lower Gini index implies _____.
a) More equal distribution of income b) Unequal distribution of income c) Higher inequality
2. _____ was categorized as tenants.
a) Occupancy tenants b) Sub tenants c) a and b both
3. _____ is not the part of classification of industries on the basis of ownership.
a) Micro enterprise b) Capital goods industries c) Small enterprises
4. Government policy on disinvestment was introduced in _____.
a) 1995 b) 1991 c) 1980
5. In 2016-17 India's foreign exchange reserves was _____.
a) Surplus b) Deficit c) Balance
6. SAARC was formed in the year _____.
a) 1987 b) 1985 c) 1982
7. Monetary policy in India is decided by _____.
a) RBI Governor b) Finance Minister c) Monetary Policy Committee
8. In 1969, _____ major commercial banks were nationalized.
a) 14 b) 15 c) 18
9. Secondary market does not include _____.
a) Screen based trading b) Liquidity adjustment facility c) Rolling system
10. _____ is the role of RBI.
a) Price stability b) Investors' education c) Treasury bills

Q1. (B) State whether the following statements are 'True' or 'False': (Any 7) (07)

1. Slow implementation of land reform was due to lack of political will.
2. The overall economic development has created sufficient employment opportunities in the country.
3. Industrial growth picked up significantly during the 10th plan.
4. Small scale industries do not face any problems in India.
5. Service sector is the driver of economic growth in India.
6. FDI is not permitted in insurance sector in India.
7. GATT was transformed into WTO on 1st January 1995.
8. India's current imports mainly consist of capital goods.
9. A decrease in repo rate makes credit cheap.
10. Major portion of agricultural finance comes from traditional sources.

Q.2 (A) Explain the causes of income inequality. (08)

(B) Discuss the reasons for poor implementation of land reforms. (07)

OR

Q.2 (C) Analyse measures to increase employment opportunities in India. (08)

(D) What are the effects of urbanization? (07)

Q.3 (A) Highlight the role of public sector in India. (08)

(B) Analyze the pattern of industrialization in India. (07)

OR

Q.3 (C) Briefly explain the industrial policy of 1991. (08)

(D) Discuss the problems faced by small scale industries in India. (07)

Q.4 (A) Explain the nature and scope of service sector in India. (08)

(B) Highlight the important recent trends in health industry in India. (07)

OR

Q.4 (C) Explain the performance of SAARC. (08)

(D) Examine the positive and negative impact of MNC. (07)

Q.5 (A) State and explain the quantitative instruments of credit control. (08)

(B) Analyze the role of SEBI in India. (07)

OR

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

- i) National Agricultural Policy 2000
- ii) Disinvestment policy in India
- iii) Structure of capital market
- iv) Types of FDI
- v) Limitations of monetary policy in India