

AP

6214

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T. Y. B. Com

05th Semester

November, 2016

(University of Mumbai)

2016-17

- (s) The large collection of websites available on the Internet is _____.
1) URL 2) WWW 3) Blog 4) None of these
- (t) Internet Explorer, Google Chrome and Firefox are _____.
1) Hardware 2) Browsers 3) Utility software 4) Internet tools
- (u) If a packet is missing or arrives out of order, _____ layer in OSI model handles the situation.
1) Transport 2) Session 3) Network 4) Physical
- (v) To match all the words in your search, the Boolean _____ operator should be used.
1) OR 2) AND 3) NOT 4) BOTH
- (w) The full form of ISDN is _____ Service Digital Network.
1) Indian 2) Important 3) Integrated 4) Initial
- Q2. (A) Answer *any one* sub-question from (a), (b) in Data Communications, Networking and Internet. (8)
- (a) Write short notes on (i) Bus Topology (ii) Star Topology.
- (b) Explain Data Communication & its various components.
- (B) Answer *any one* sub-question from (c), (d) in Data Communications, Networking and Internet. (7)
- (c) Explain Domain Name System and IP Addresses.
- (d) Write short notes on (i) Website (ii) Hacking.
- Q3. (A) Answer *any one* sub-question from (a), (b) in MySQL (8)
- (a) Write MySQL statement to create a table called HOSPITAL having the following columns Patient Registration Number (PRN, integer, primary key), Patient Name (PNAME, character with variable width 20 columns), Doctor Name (DOCTOR, character with variable width 20 columns, should not be empty) and Charges (CHARGES, 7 integers and 2 decimals, positive).
- (b) Write MySQL statement to create a table called ACCOUNT having the columns Account Number (ANG, integer, primary key), Account holder Name (NAME, character with variable width 25 columns), Gender (GEN, Boolean), Type of Account (TYPE, character with variable width 25 columns, default value "SAVINGS") and Balance (BALANCE, very large integer).
- (B) Answer *any one* sub-question from (c), (d) in MySQL (7)
- (c) Explain the following built-in functions in MySQL.
1) MOD() 2) RTRIM() 3) LOWER() 4) NOW()
5) RIGHT() 6) ROUND() 7) MONTH()

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- (d) There exists a table called ATTEND having the following columns Student Name (SNAME, character variable width 25), Class (CLASS, character width 15), Division (DIVISION, character width 1) and Number of Lectures Attended (LTOTAL, integer).

Write MySQL statements for the following.

i) Insert one row of data in the table having Student Name 'RAMESH SIPPY', Class 'F.Y.B.Com.', Division 'A' and Number of Lectures Attended 80.

ii) Add a new column Roll Number (RNO, integer) as first column to this table.

iii) Increase the Number of Lectures Attended by all the students by 5.

iv) Delete all the rows from the table where Number of Lectures Attended is less than 75.

v) Change the Number of Lectures Attended of the student whose name is 'DIYA MIRZA' to 75.

vi) Rename column SNAME to NAME.

vii) Display the structure of the table ATTEND.

Q4. (A)

Answer *any one* sub-question from (a), (b) in MySQL

- (a) There exists a table TAX having the columns Permanent Account Number (PAN, integer), Name (NAME, character), City (CITY, character), Taxable Income (INC, integer) and Income Tax (ITAX, integer).

Write MySQL queries for the following.

i) Display Permanent Account Number, City and Income Tax from this table.

ii) Display Permanent Account Number, Name and Taxable Income where Taxable Income is more than the average Taxable Income.

iii) Display City, maximum and minimum Taxable Income grouped by City.

iv) Display Permanent Account Number, Name and Taxable Income where the Income Tax is equal to the Highest Income Tax.

v) Display all the rows from this table where name contains 'B'.

- (b) There exists a table BOOKS containing columns Accession Number (ASNUM, integer, primary key), Book Name (NAME, character), Author Name (AUTHOR, character) and Number of Pages (NUM, integer). There exists another table ISSUE containing the columns Student Number (SNUM, integer), Accession Number (ASNUM, integer, primary key) and Date of Issue (DOI, Date).

Write MySQL queries for the following.

i) Display Book Name, Author Name and Date of Issue for books having more than 300 pages using both the tables.

ii) Display Book Name, Student Number, Accession Number and Date of Issue for Books Issued before September 1, 2016 using both the tables.

iii) Display Book Name, Author Name and Number of Pages from the table BOOKS for those books where the Number of Pages is equal to the average Number of Pages.

iv) Display Book Name, Author Name and Accession Number in the alphabetical order of Book Name from the table BOOKS.

v) Display Student Number, Accession Number and Date of Issue for all the rows from the table ISSUE where Student Number is between 21 and 30.

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- Q4. (B) Answer *any one* sub-question from (c), (d) in MySQL (7)
- (c) There exists a table CUSTOMER containing columns Customer Number (CN, integer), Customer Name (CNAME, character), City (CITY, Character), Bill Number (BNO, numeric) and Bill Amount (BAMT, numeric). Write MySQL queries for the following.
- Display the City, maximum and minimum Bill Amount grouped as per City.
 - Display the City, total number of bills and total of Bill Amount grouped as per city.
 - Display all the rows where the Bill Amount is above the average Bill Amount.
 - Display all the rows from this table where the Customer Number is divisible by 4.
- (d) There exists a table STUDENT containing columns Roll Number (RNO, integer), Students Name (NAME, character), Class (CLASS, character) Marks (MARKS, Integer) and Date of Birth (DOB, date). Write MySQL queries for the following.
- Display all the rows from this table where Marks are above 75.
 - Display all the rows from this table where Class is "T.Y.B.Com."
 - Display the Student Name labeled as 'Name of the Student' and Marks labeled as 'Marks of the Student' from this table.
 - Display the Roll Number, Student Name and Marks of students born before March 10, 1998 from this table.
 - Display the Roll Number, Student Name and Marks of students where Student Name is 'ADITYA CHOPRA' from this table.
 - Display all the rows from this table in the descending order of Marks.
 - Display all the rows from this table where the first letter in the Student Name is 'F'.

- Q5. (A) Answer *any one* sub-question from (a), (b) in MS-EXCEL (8)

- (a) For the following spreadsheet obtain the Subtotals of the Sales year wise.

	A	B	C	D	E
1	NAME	YEAR	AGE	MOBILE NO.	SALES
2	SALIM	2010	30	9821023012	45000
3	ANANT	2011	27	3456789215	30000
4	RAHUL	2011	26	9845673212	55000
5	AANA	2010	29	8876543939	40000
6	RAJNI	2010	32	8976765645	20000
7	ASHA	2011	22	5456677678	25000

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(7)

(b) For the following spreadsheet obtain the Pivot table showing total profit and average profit city wise in column F1.

	A	B	C	D
1	NAME	CITY	GENDER	PROFIT
2	SHAAN	NASIK	MALE	45000
3	ADITYA	MUMBAI	MALE	75000
4	SARITA	PUNE	FEMALE	50000
5	NIKKI	NASIK	FEMALE	40000
6	RIDHI	PUNE	FEMALE	55000
7	SUMIT	MUMBAI	MALE	70000

Q5. (B)

(c) Answer *anyone* sub-question from (c), (d) in MS-EXCEL. The following data has been entered in a worksheet.

(7)

	A	B	C	D	E	F
1	NAME	BASIC	HRA	DA	PF	NET PAY
2	ADIL	40000				
3	DARSHA	25000				
4	HAFIZA	60000				
5	KAJOL	75000				
6	SACHIN	34000				

Write the steps to obtain

- i) HRA as 45% of the Basic or 18,000 whichever is less in column C
- ii) DA as 130% of the Basic or 20,000 whichever is more in column D.
- iii) PF as 12% of BASIC in column E.
- iv) NET PAY as BASIC + DA + HRA - PF in column F.

(d) Explain the following built in functions in MS-EXCEL

- 1. IPMT()
- 2. ABS()
- 3. PV()
- 4. MIN()
- 5. FLOOR()
- 6. NPER()
- 7. ROUNDDOWN()

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

1. Answer **any two** of the following : 15
 (a) How is Export Marketing different from Domestic Marketing?
 (b) Explain the factors influencing Export Marketing.
 (c) Explain the direction of India's Exports since 2010.
2. Answer **any two** of the following : 15
 (a) "Trade barriers have positive as well as negative influence on Foreign Trade of a nation." Discuss.
 (b) Explain the negative implications of WTO Agreements on Export Marketing.
 (c) Discuss briefly the process of Global Marketing Research.
3. Answer **any two** of the following : 15
 (a) Write a note on Foreign Trade Policy 2015-20.
 (b) Describe the role of DGFT.
 (c) Discuss the privileges enjoyed by Export and Trading House Status Holders.
4. Answer **any two** of the following : 15
 (a) Write a note on Packaging of export goods.
 (b) Explain the various methods of export pricing.
 (c) Calculate minimum FOB price from the following details. Also calculate Foreign exchange that can be earned if exchange rate 1 US \$ = ₹65.

Particulars	Amount (₹)
Ex Factory Cost	1,00,000
Labour Cost	10,000
Packing Cost	12,000
Transportation Cost	8,000
Profit Contribution	10% of FOB Cost
Duty Drawback	10% on FOB Price

5. Answer the following :

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

- (i) India's services exports is dominated by financial services.
- (ii) Indirect exporting involves the services of middlemen.
- (iii) Export Houses issue IEC number to exporters.
- (iv) Product labelling helps the customers to identify the product.
- (v) C & F Quotation includes international insurance charges.

(b) Give Full form of the following :

- (i) EU
- (ii) TRIMs
- (iii) MEIS
- (iv) OPEC
- (v) VKGUY

(c) Match the following :

Group A

- (i) NAFTA
- (ii) Skimming strategy
- (iii) Information processing and Customer service standards
- (iv) Prohibited Items
- (v) Marking

Group B

- (a) Low Price
- (b) For glass items "Fragile"
- (c) Trading Bloc
- (d) Petroleum Products
- (e) High Price
- (f) Wild Animals
- (g) Components of Logistics

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[Revised Course- CBSGS-75/25 Pattern]

(2 ½ Hours)

[Total Marks : 75]

- N.B. : (1) All questions are compulsory
 (2) Figures to the right indicate maximum marks .
 (3) Workings should form part of the main answer.

1 (a) Fill in the blanks with appropriate words (any 8)

- (i) Remuneration received by a Member of Parliament (M.P.) is taxable under the head Income from _____.
- (ii) An Asset has to be put to use for atleast _____ days in order to be eligible to claim depreciation at full rate, as applicable
- (iii) Medical Insurance Premium is eligible for deduction under section 80D upto a maximum of Rs _____, in case of senior citizen.
- (iv) Bonds of Mahindra Ltd., held for 24 months are _____ Capital Assets.
- (v) Gratuity received by non-government employees, who are not covered under the Payment of Gratuity Act, is exempt upto a maximum of Rs _____.
- (vi) Dividend received on shares of Co-operative Society is _____.
- (vii) Re-imbursment of medical expenses to an employee is exempt upto a maximum of Rs _____.
- (viii) Interest on borrowings of Rs 500,000/- for a Deemed to be Let-Out Property is eligible for a deduction upto Rs _____.
- (ix) Jewellery to be regarded as a Long-Term Capital Asset, should be held for period more than _____ months.
- (x) Residential Status of an Indian Company is _____ in India.

1. (b) State whether the following statements are TRUE or FALSE, as per the provisions of Income Tax Act, 1961 for Assessment Year: 2016-17 (any 7)

- (i) Rental income from an open plot of land is taxable under the head 'Income from Other Sources'
- (ii) Commuted Pension received by a Government Employee is fully exempt
- (iii) Duty Drawback received by an exporter is taxable under the head 'Income from Other Sources'
- (iv) Stock of finished goods of a business, is not a capital asset
- (v) Deduction under section 80U, available to a physically handicapped individual, is allowed to a non-resident

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- (vi) Deduction under section 80 CCC, together with Section 80C, is allowed upto a maximum of Rs 300,000/-
- (vii) Asset purchased and put to use on 1st January, 2016 will be eligible for depreciation claim, as applicable, at normal rate
- (viii) Gifts received exceeding Rs 50,000 from a non-relative is not taxable
- (ix) Residential Status of an Individual is determined based on physical presence in India of such Individual
- (x) Income earned in India by a Non-Resident Individual is not taxable in India

2. Mr Rahul, who is physically disabled to the extent of 65%, works in X Ltd, a private company. From the following particulars of Income provided for the previous year ended 31st March, 2016, you are required to compute the net taxable Income for Assessment Year: 2016-17

Sr No	Particulars	Amount (Rs)
1	Basic Salary	7,00,000
2	Dearness Allowance	3,00,000
3	House Rent Allowance [Exempt upto Rs 29,000]	90,000
4	Re-imbursment of Medical Expenses	22,000
5	Perquisite Value of Motor Car, provided by the Employer for official as well as personal use	40,000
6	Entertainment Allowance Received	60,000
7	Profession Tax Paid	2,500
Other Information-		
8	Director's Sitting Fees received	100,000
9	Dividend from Foreign Company	30,000
10	Dividend from Mutual Fund	25,000
11	Best Citizen Award received from Government	10,000
12	He paid Medical Insurance Premium for Self	22,500

OR

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2. Mr Prem provides following particulars of his Income for the previous year ended 31st March, 2016. You are required to compute the net taxable Income for Assessment Year: 2016-17

15

Sr No	Particulars of owned house	House A (Self-Occupied) Rs	House B (Let-Out) Rs
1	Municipal Valuation (per month)	30,000	40,000
2	Rent Received (per month)	0	50,000
3	House B was vacant for 2 months		
4	Municipal Tax: - Paid by tenant - Paid by owner	0 10,000	15,000 30,000
5	Interest on Borrowed Capital : - Paid during the year - Outstanding on 31/3/16	20,000 5,000	60,000 60,000
6	Maintenance Charges	12,000	18,000
	Other Information-		Amount (Rs)
7	Interest on Deposits with Bank		75,000
8	Interest on savings account with bank		12,500
9	Interest on Government Securities		14,000
10	Interest on Debentures		45,000
11	Interest from Public Provident Fund		1,50,000
12	He invested Rs 100,000 into Public Provident Fund Account		

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3. Mr Moghe provides the following information for the previous year ended 31st March, 2016. You are required to compute his net taxable income for the Assessment Year: 2016-17

15

Profit and loss Account for the year ended 31st March, 2016

Particulars	Rs.	Particulars	Rs.
To Rent	30,000	By Gross Profit	7,75,000
To Salaries	1,60,000	By Interest on Bonds	50,000
To Motor Car Expenses	25,000	By Dividend from Indian Companies	15,000
To Life Insurance Premium	60,000		
To Income Tax	26,000		
To Printing & Stationery	10,000		
To Conveyance	36,000		
To Depreciation	35,000		
To Donations	25,000		
To Net Profit	4,33,000		
TOTAL	8,40,000	TOTAL	8,40,000

Additional Information -

- (1) Salaries include Rs 40,000 paid to Mr Moghe's son. The amount is considered reasonable based on his qualification and experience
- (2) Depreciation as per Income Tax Rules is Rs 38,000
- (3) 40% of Rent paid is attributable towards his residence
- (4) He paid Medical Insurance Premium for Self Rs 10,000 & Spouse Rs 8,000
- (5) He received Maturity Proceeds of Life Insurance Policy Rs 20,000

OR

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3. Mr Datey provides the following information for the previous year ended 31st March, 2016. You are required to compute his net taxable income for the Assessment Year: 2016-17

Profit and Loss Account for the year ended 31st March, 2016

Particulars	Rs	Particulars	Rs.
To Rent	90,000	By Gross Profit	12,20,000
To Salaries	3,60,000	By Income Tax Refund	95,000
To Motor Car Expenses	70,000	By Rent from House Property	2,00,000
To Life Insurance Premium	1,00,000	By Duty Drawback	65,000
To Municipal Tax paid for house property	20,000		
To Interest on loan	50,000		
To Repair Expenses	32,000		
To Depreciation	20,000		
To Net Profit	8,38,000		
Total	15,80,000	Total	15,80,000

Additional Information-

- (1) Repair Expenses include Rs 12,000 paid for rented house property
- (2) Depreciation as per Income Tax Rules is Rs 25,000
- (3) Life Insurance Premium is paid for his spouse
- (4) Interest on Loan is towards Rs. 30,000 for Rented House property and balance RS. 20,000 for education Loan of his daughter, who is pursuing Fashion Designing Course from a recognized institution.

4. (a) Mr. Ranade provides the following particulars of assets transferred by him during the previous year ended 31st March, 2016. You are required to compute his Income from Capital Gains chargeable to tax for Assessment Year: 2016-17

A residential house in Delhi, which was purchased on 11th November, 2000 at a cost of Rs 14,54,000 and was sold on 16th January 2016 for Rs 14,65,000. He incurred transfer expenses of Rs 50,000

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Mr. Ranade made the following investments out of the capital gains arising on sale of his residential house -

(i) Purchased a residential flat in Bangalore on 26th March, 2016 for Rs 75,00,000

(ii) Purchased 3 year bonds issued by Rural Electrification Corporation (REC) for Rs. 10,00,000 on 16th February, 2016

Cost Inflation Index for FY 2000-01 = 406; FY 2015-16 = 1081.

4. (b) Mr Becker, a German citizen, came to India for the first time on 1st April, 2011 and started a business in Kerala. He went out of India on 1st April, 2015 and came back to India on 1st January, 2016.
Determine his Residential Status for Assessment Year 2016-17

OR

4. Mr Harsolear has earned the following incomes during the previous year ended on 31st March, 2016. Compute his Gross Total Income for Assessment Year 2016-17 assuming that he is-
- Resident and Ordinarily Resident
 - Resident but not Ordinarily Resident
 - Non-Resident

Sr No	Particulars	Amount Rs.
1	Payments received in Dubai for services rendered in Japan	1,20,000
2	Amount brought to India, out of past untaxed profits earned in England	5,40,000
3	Income from business in Germany, controlled from India	2,30,000
4	Interest Income earned and received in India	1,90,000
5	Royalty Income received from Indian Companies	3,50,000
6	Income from Agriculture in Sri Lanka	1,45,000
7	Dividend from Japanese Company, received in India	1,50,000
8	Rent from house in Pune, received in Singapore	1,80,000

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5. (a) State and Explain, in brief, the deductions available under the head 'Income from Salary' ?
5. (b) Discuss the provisions of Income Tax Act, 1961 for determination of Residential Status of an Individual ?

OR

5. Write Short Notes (any 3)
- (i) Net Annual Value
 - (ii) Perquisites
 - (iii) Long-Term Capital Asset
 - (iv) Agricultural Income
 - (v) Person

15

[TURN OVER]

5. (a) State and Explain, in brief, the deductions available under the head 'Income from Salary' ?
5. (b) Discuss the provisions of Income Tax Act, 1961 for determination of Residential Status of an Individual ?

OR

5. Write Short Notes (any 3)
- (i) Net Annual Value
 - (ii) Perquisites
 - (iii) Long-Term Capital Asset
 - (iv) Agricultural Income
 - (v) Person

15

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QP Code : 73941

(2½ Hours)

[Total Marks : 75

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

15

1. Answer any two of the following :-

- (a) Define Marketing. Explain the functions of marketing.
 (b) What is Digital Marketing? Explain its various forms briefly.
 (c) What are the emerging ethical issues in marketing? Explain briefly.

15

2. Answer any two of the following :-

- (a) Explain the term Marketing Information System. What are its components?
 (b) Define Market Segmentation. What are the factors on the basis of which markets can be segmented?
 (c) Explain the factors affecting consumer behaviour.

15

3. Answer any two of the following :-

- (a) Explain the importance of Packaging.
 (b) What is Branding? Explain the factors influencing branding.
 (c) Explain the objectives of Pricing.

15

4. Answer any two of the following :-

- (a) What is Physical Distribution? Explain the various types of Distribution Channels.
 (b) What is Publicity? Explain its features.
 (c) Explain the term Public Relations. Describe the parties in Public Relation.

15

5. (a) Fill in the blanks by choosing appropriate options given below:-

5

(i) _____ concept of marketing focuses on maximising profits.

- (a) Societal (b) Traditional
 (c) Relationship (d) Modern

(ii) _____ helps in protecting the goods from damage during transportation.

- (a) Packaging (b) Insurance
 (c) Branding (d) None of the above

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- (iii) _____ is a psychographic factor of market segmentation.
 (a) Age (b) Attitude
 (c) Occupation (d) User Status
- (iv) _____ marketing involves marketing the product to a small selected segment.
 (a) Global (b) Image
 (c) Niche (d) None of the above
- (v) _____ is a component of logistics.
 (a) Inventory management (b) Transportation
 (c) Materials handling (d) All of the above
- (b) State whether the following statements are True or False :-
- (i) Marketing Research is future oriented.
 (ii) Customer Relationship Marketing leads to brand loyalty.
 (iii) Third Party Delivery Channel involves outsourcing of the distribution function.
 (iv) Brand extension reduces marketing cost.
 (v) Packaging is a part of Integrated Marketing Communications.

(c) Match the following :-

Group 'A'

- (1) Brand Equity
 (2) Green Marketing
 (3) Product Positioning
 (4) Penetration Pricing
 (5) Primary data

Group 'B'

- (a) Survey method
 (b) Low entry price
 (c) Niche Marketing
 (d) Environment safe products
 (e) Viral Marketing
 (f) Incremental value of a brand
 (g) Product features

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QP Code : 73945

(2½ 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.

1. Attempt any two of the following : 15
- (a) Define Public and private finance and explain dissimilarities between them.
 - (b) "When marginal social benefit is equal to marginal social sacrifice, Maximum Social Advantage is achieved". Explain.
 - (c) Explain meaning and characteristics of sound finance.
2. Attempt any two of the following : 15
- (a) Explain how government derives revenue from various sources.
 - (b) State merits and demerits of direct taxes.
 - (c) Write a note on impact and incidence of taxation.
3. Attempt any two of the following : 15
- (a) Discuss the classification of public expenditure.
 - (b) Define public debt and discuss the burden of external debt.
 - (c) Describe the important features of FRBM Act, 2003.
4. Attempt any two of the following : 15
- (a) Explain the characteristics of Indian Money Market.
 - (b) Describe the money market reforms in India since 1991.
 - (c) What is capital market? Outline the role of capital market in economic development.
5. (a) State with reasons whether the following statements are true or false (Any four) 8
- (i) Public finance always follows "the principle of economic rationality".
 - (ii) Say's law forms the base of sound finance.
 - (iii) Special assessment or betterment levy are tax imposed on all people.
 - (iv) A tax is said to be regressive when the burden falls heavily on high income earners.
 - (v) Public expenditure refers to the expenses incurred only by the central government.

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- (vi) Fiscal deficit is a more comprehensive measure of budgetary imbalance.
- (vii) Money market is a market for lending and borrowing of long term fund.
- (viii) In India SEBI is responsible for regulating capital market.

(b) Choose the correct answer and rewrite the statement (Any seven)

(1) Public finance includes

- (a) Public revenue and public expenditure
 (b) Public debt and public administration
 (c) Both a and b
 (d) None of these

(2) Maximum Social Advantage is achieved when

- (a) $\text{Marginal Social Sacrifice} = \text{Marginal Social Benefit}$
 (b) $\text{Total Social Sacrifice} = \text{Total Social Benefit}$
 (c) $\text{Average Social Sacrifice} = \text{Average Social Benefit}$
 (d) $\text{Social Sacrifice} = \text{Social Benefit}$

(3) The concept of fiscal measures can be used to offset undesirable cyclical fluctuations was termed as

- (a) Sound finance
 (b) Functional finance
 (c) Business finance
 (d) Public finance

(4) Fringe Benefit Tax is a tax levied on the

- (a) Employees
 (b) Employers
 (c) Producer
 (d) Consumer

(5) Which is not a merit of direct tax

- (a) Direct taxes are equitable
 (b) Direct taxes are elastic
 (c) Direct taxes are economical
 (d) Direct taxes are difficult to evade

(6) The process of transferring the money burden of the tax is called

- (a) Impact
 (b) Shifting
 (c) Incidence
 (d) Imposition

(7) Government expenditure on interest payments are a part of -

- (a) Development expenditure
 (b) Non-development expenditure
 (c) Capital expenditure
 (d) None of the above

(8) The budget where existing programmes and activities may not be automatically funded is

- (a) Traditional budget
 (b) Zero based budget
 (c) Performance budget
 (c) Functional budget

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- 7
- (9) Redemption of public debt means
- (a) Refusal to pay debt
 - (b) Reduce cost
 - (c) Reviewing structure of debt
 - (d) Repayment of loan
- (10) Which of the following is the latest measure introduced by RBI to influence liquidity in the financial system ?
- (a) LAF (Liquidity Adjustment Facility)
 - (b) Repo
 - (c) Reverse Repo
 - (d) MSF (Marginal Standing Facility)
- (11) Which of the following do not constitute the structure of capital market in India ?
- (a) Merchant Banks
 - (b) RBI
 - (c) Gilt edged market
 - (d) Industrial securities market
- (12) NSE (National Stock Exchange) was set up in the year
- (a) 1992
 - (b) 1994
 - (c) 1991
 - (d) 1993

REVISED COURSE (NEW PATTERN) (75:25)

(2½ Hours)

[Total Marks : 75

- C.B. :** (1) All questions are compulsory and carry 15 marks each.
 (2) Question Nos. 2 to 5 have internal option.
 (3) Working notes should form part of your answer.
 (4) Proper presentation and neatness is essential.
 (5) Use of simple calculator is allowed.
 (6) Figure to the right indicate full marks.

(A) Rewrite the following statements serially and state whether they are true or false: (Any Eight) 8

- (i) Long term loans given by a Bank is financing activity in cash flow statement of Bank.
- (ii) Unclaimed dividend is contingent liability.
- (iii) Advance paid is an item of non-quick assets.
- (iv) If sales are against advance cash receipts only, then the working capital requirement will be high.
- (v) Acid test ratio depicts liquidity position of the company.
- (vi) Fictitious assets are shown under tangible fixed assets.
- (vii) Machinery scrap is an example of wasting asset.
- (viii) Accounting standards are required to be followed while preparing Management Accounting Reports.
- (ix) Amortization of share issue expenses is considered under non-operating expenses.
- (x) Common-size statement is a short cut for quick comparison of items in financial statements shown in odd amounts.

(B) Match the item in column 'A' with most appropriate item in column 'B' and rewrite. (Any seven) 7

Column 'A'	Column 'B'
(i) Discount on issue of shares	* Balance Sheet Ratio
(ii) Staff advances	* Financing outflow
(iii) Goodwill	* Tangible Fixed Asset
(iv) Temporary working capital	* Revenue statement Ratio
(v) Preference Dividend paid	* Combined Ratio
(vi) Calls received in advance	* Current Liability
(vii) Operating ratio	* Financing inflow
(viii) Issue of rights shares	* Current Asset
(ix) Debt-Equity Ratio	* Fictitious Asset
(x) Debt Service Ratio	* Financed through Bank Overdraft
	* Intangible Fixed Asset
	* Wasting Asset
	* Operational Outflow

2. Following are the balances in the books of Arnav Ltd., for the year ended 31st March, 2016.

Particulars	₹
10% Preference Share Capital	10,00,000
Administrative Expenses	6,00,000
Cash and Bank	50,000
Marketable Investments	4,00,000
Depreciation	3,50,000
Direct Labour	3,75,000
Equity Share Capital	15,00,000
Fixed Assets	70,00,000
Income Tax	8,85,000
Interest paid	20,000
Inventories	30,00,000
Long Term Investments	2,00,000
Other Current Liabilities	1,00,000
Other Direct Expenses	2,40,000
Provision for Expenses	3,25,000
Raw Materials Consumed	39,00,000
Reserves and Surplus	3,50,000
Sales	80,00,000
Secured Term Loans	60,00,000
Selling Expenses	1,30,000
Trade Payables	16,75,000
Trade Receivables	18,50,000
Unsecured Term Loans	7,50,000

You are required to prepare vertical Income Statement for the year ended 31st March, 2016 and vertical Balance Sheet as on that date for analysis.

[TURN OVER]

OR

- (A) Complete the following comparative Income Statement of Supriya Ltd. by ascertaining the missing Figures.

Particulars	2015	2016	Increase/ (Decrease) in ₹	% of Increase/ (Decrease)
	₹	₹		
Sales	---	---	2,00,000	100
Cost of goods sold	---	1,80,000	1,20,000	200
Gross profit	---	---	---	---
Operating Expenses	40,000	---	---	120
Operating Profit	---	---	---	---
Non operating Income	---	---	3,000	30
Non operating Expenses	5,000	---	Nil	Nil
Net Profit Before Tax	---	---	---	---

- (B) From the following information of Ganesh Ltd. Prepare common size Balance Sheet in Vertical Form as on 31st March 2016.

Particulars	₹
Fixed Assets	1,50,000
Net Worth	1,50,000
Loan Fund	?
Working Capital	1,00,000
Total Capital Employed	2,50,000
Current liabilities	1,00,000

[TURN OVER

3. At the beginning of current year, the board of directors of Karishma Ltd. wishes to know the amount of working capital that will be required to meet the programme of activity which they have planned for the year 2016-17.

Following information is available:-

- (1) Production during the previous year was 1,20,000 units. It is planned that this level of activity should be maintained during the present year.
- (2) The expected ratios of cost to selling price are:-
- | | |
|---------------|-----|
| Raw materials | 40% |
| Direct wages | 30% |
| Overheads | 20% |
- (3) Raw materials are expected to remain in stores for an average period of one month before issuing for production.
- (4) Finished goods are to stay in warehouse on an average for two months before being sold to customers.
- (5) Each unit of production will be in process for an average period of one month.
- (6) Credit allowed by suppliers from the date of delivery of materials is one month
- (7) Debtors are allowed two months credit from the date of sale.
- (8) Selling price is ₹15 per unit.
- (9) The company wants to maintain ₹1,25,500 cash balance.
- (10) Calculate debtors on cost basis.
- (11) There is regular production and sales cycle.
- (12) 20% of the purchases will be on cash basis.
- (13) During the processing period, labour and overheads accrue evenly.
- (14) Time lag in payment of wages and overheads is one month.
- (15) The company wants to adopt 15% safety margin on net working capital, before computing safety margin.

OR

[TURN OVER

Compute the missing amounts and percentages to complete the following Trend Analysis Statement of Anand Ltd.

Summarised Profit and Loss Accounts for the years ended 31st March,....

Particulars	Amount (₹ '000)				Trend Percentages (%)			
	2013	2014	2015	2016	2013	2014	2015	2016
Net Sales	?	?	?	11,200	?	120	140	160
Operating Cost	?	?	6,000	6,500	?	110	120	?
Operating Net Profit	?	?	?	?	?	?	?	?
Non-Operating Income	?	?	150	?	?	1020	150	280
Non-Operating Expenses	200	?	150	230	?	60	?	?
Profit before Interest & Tax	?	?	?	?	?	?	?	?
Interest	?	110	200	160	?	?	200	?
Profit Before Tax (PBT)	?	?	?	?	?	?	?	?
Tax @ 50% of PBT	?	?	?	?	?	?	?	?
Profit After Tax (PAT)	?	?	?	?	?	?	?	?
Proposed Dividend	?	?	?	1,475	?	?	200	235
Balance c/f	?	760	?	?	?	?	?	?

Note : Base Year = Year ended on 31st March, 2013.

Asha Ltd., furnishes you following financial statements for the year ended 31st March, 2016.

15

Balance Sheet as at 31st March, 2016

Equity and Liabilities	₹	Assets	₹
Equity Share Capital (₹ 10 each)	20,00,000	Fixed Assets(at Cost)	50,00,000
5% Preference Share Capital	10,00,000	Less: Depreciation Provision	(6,00,000)
Reserve and Surplus	2,00,000	Net Block	44,00,000
Profit and Loss Account	3,00,000	Long Term Investments	5,50,000
12% Long Term Loans	12,00,000	A/cs Receivable (PY ₹ 6,00,000)	8,00,000
13% Public Deposits	6,00,000	Inventories (PY ₹ 9,00,000)	12,00,000
A/cs Payable (PY Rs. 9,00,000)	8,00,000	Cash and Bank Balance	2,00,000
Outstanding Expenses	1,00,000	Expenses paid in Advance	50,000
Bank Overdraft	7,00,000	Advance Income Tax	2,50,000
Provision for Income Tax	3,00,000	Preliminary Expenses	50,000
Proposed Dividend	3,00,000		
Total ₹	75,00,000	Total ₹	75,00,000

Profit and Loss Account for the year ended 31st March, 2016.

Particulars	₹	Particulars	₹
To cost of Goods Sold	63,00,000	By Sales: Cash	30,00,000
To Gross Profit c/d	27,00,000	By Sales: Credit	60,00,000
Total	90,00,000	Total	90,00,000
To Administrative Expenses	9,00,000	By Gross Profit	27,00,000
To Selling and Distribution Expenses	7,00,000		
To Interest	2,22,000		
To Provision for Income Tax	3,00,000		
To Net Profit c/d	5,78,000		
Total	27,00,000	Total	27,00,000
To Transfer to Reserves	78,000	By Balance b/f	1,00,000
To Provision for Dividend	3,00,000	By Net Profit	5,78,000
To Balance c/f	3,00,000		
Total	6,78,000	Total	6,78,000

From the above information you are required to calculate the following ratios and offer your comments on Current Ratio.

- (i) Current Ratio
- (ii) Net Profit (NPAT) Ratio
- (iii) Return on Capital Employed
- (iv) Debt Service Ratio
- (v) Stock Turnover Ratio
- (vi) Creditors Turnover Ratio
- (vii) Debtors Turnover Ratio

Note:- Vertical statements not expected

OR

[TURN OVER

Following are the Balance Sheets of Silence Enterprises Ltd., as at 31st March, 15 2015 and 2016.

Liabilities	31.03.2015	31.03.2016	Assets	31.03.2015	31.03.2016
	(₹)	(₹)		(₹)	(₹)
Equity Share Capital	1,00,000	1,60,000	Machinery	2,96,000	3,26,000
General Reserve	90,000	95,000	Investments	1,12,000	85,000
Profit & Loss A/c	—	19,000	Inventory	1,01,000	66,000
10% Pref Share Capital	1,80,000	1,20,000	Bills Receivables	20,000	45,000
15% Debenture	1,20,000	1,50,000	Trade Receivables	49,000	1,39,000
Trade Payables	1,02,000	1,16,000	Cash and Bank	38,000	49,000
Bank Overdraft	20,000	24,000	Adv. Income Tax	20,000	20,000
Provision for tax	18,000	14,000	Profit and Loss A/c	14,000	—
Proposed Dividend	20,000	32,000			
Total	6,50,000	7,30,000	Total	6,50,000	7,30,000

Additional Information:

- (1) 10% Preference Shares were converted into Equity Shares on 31.03.2016.
- (2) Additional 15% Debentures were issued on 01.04.2015.
- (3) Preference Dividend and Debenture interest are paid on 31.03.2016.
- (4) Last Year's Equity Dividend is paid on 01.03.2016.
- (5) Machinery of which Written Down Value was Rs. 80,000 was sold at Rs. 95,000.
- (6) Depreciation on Machinery provided during the year was Rs. 75,000
- (7) Investments of Rs.50,000 were sold for Rs. 25,000.
- (8) Last year's Income Tax was settled at Rs. 22,000.

Prepare Cash Flow Statement by indirect Method as per AS-3.

- (A) Explain the functions of Management Accounting. 8
 (B) Discuss the concept of working capital requirement. 7

OR

Write short notes on (any three):- 15

- (1) Valuation of Fixed Assets
- (2) Net Worth
- (3) Common size financial statements
- (4) Owed funds
- (5) Sources of cash flow

[TURN OVER

QP Code : 73966

(2½ Hours)

[Total Marks : 75

- N. B. : (1) All questions are compulsory.
(2) Figures to the right indicate full marks allotted to the question.
(3) Working notes wherever necessary should form part of your answer.
(4) Calculate figures up to two decimal points wherever required.

1. (a) Select the most appropriate option and rewrite the full sentence. 8
(any eight)
1. Cost Accounting is directed towards the need of———
 - Government
 - External users
 - Internal users
 - Shareholders
 2. Cost of Production is equal to ———
 - Factory cost + Administrative overheads
 - Factory cost + Prime cost
 - Administrative overheads + Selling overheads
 - Prime cost + Selling overheads
 3. Variable cost increases in total due to ———
 - Increase in sales
 - Increase in profit
 - Increase in volume of production
 - All of the above
 4. Tenders and Quotations are usually based on ———
 - Cost statement alone
 - Profit alone
 - Future estimates
 - Previous period's cost adjusted for future forecasts.
 5. Labour Turnover is caused by ———
 - Dissatisfaction with job
 - Low wages
 - Discharge
 - All of the above

[TURN OVER

OF-Con.4378-16.

6. Stores department issues material to the production department based on _____ .
- Purchase order
 - Goods received note
 - Material transfer note
 - Material requisition note
7. Economic order quantity refers to _____ .
- Quantity to be used economically
 - The quantity of materials to be maintained
 - The quantity of materials to be recorded
 - The quantity of materials to be ordered at a time
8. Time-booking means _____ .
- Time spent by workers to record their entry into the factory
 - A technique to analyse time spent by workers in firm
 - Time spent by workers on their jobs
 - All of the above
9. Appropriate basis of apportionment of material handling charges is _____ .
- Material consumed
 - Material in opening stock
 - Material in WIP
 - Material in closing stock
10. Warehouse expenses is an example of _____ .
- Selling overhead
 - Distribution overhead
 - Production overhead
 - None of the above
- (b) State whether the following statements are True or False. (any seven) 7
1. Cost Accounting is used only in manufacturing industry.
 2. High Labour turnover rate denotes good human relations.
 3. Under absorption of overheads decreases profit in costing books.
 4. Conversion cost is equal to direct wages plus factory overheads.
 5. Bin Card is same as Stores Ledger.
 6. Wages are paid for idle time.
 7. Stores Ledger is maintained by the stores department.
 8. Overheads are first charged to the department where they are incurred.
 9. Transfer to General Reserve is an item of cost accounts.
 10. Power is a machine expense.

[TURN OVER

2. Calculate the earnings of Rakesh and Ramesh from the following particulars for the month of March 2016 and allocate the labour cost to each Job No. 100 and Job No. 101. 15

Particulars	Rakesh	Ramesh
Basic wages	₹ 15,000	₹ 18,000
D.A. (On Basic)	80%	80%
Employees Contribution to P.F. (On Basic)	10%	10%
Employees Contribution to E.S.I. (On Basic)	3%	3%
Overtime hours	18	15
Expenditure on amenities (Per month)	₹ 600	₹ 200

The Normal working hours for the month are 225. Overtime is paid at double the total of basic & D.A. Employer's contribution to State Insurance (E.S.I.) and P.F. are at equal rate with employees' contribution. There were two workers employed on Job No. 100 & Job No. 101 in the following proportion.

Name of Worker	Job No. 100	Job No. 101
Rakesh	40%	60%
Ramesh	20%	80%

Overtime was done on Job No. 100.

OR

2. (a) A Machine costs Rs. 12,00,000 and is deemed to have a scrap value of 10% at the end of its effective life (12 years). Ordinarily the machine is expected to run for 1,300 hours per year but it is estimated that 200 hours of the time will be lost for normal repairs and maintenance. Other details in respect of machine shop are as under : 8

Details	Amount (₹)
Annual wages, bonus and provident fund contribution of each of two operators (each operator is in-charge of three machines)	1,50,000
Rent of shop per year	1,20,000
General lighting of the shop per month	6,000
Insurance premium for one machine per annum	28,000
Shop Supervisor's monthly remuneration	15,000
Cost of Repairs and maintenance per machine per quarter	6,000
Other factory overheads attributable to the shop per annum	96,000
Power Consumption of machine per hour 15 units @ ₹ 6 per unit	—

There are six identical machines in the shop. The supervisor is expected to devote one-fifth of time for supervising the machine.

Compute the machine hour rate from the above details.

[TURN OVER

- (b) The following are the details as regards a worker who worked for Job No. 444 and 555. 7

Job No.	Time allowed	Time taken
444	26 hours	20 hours
555	30 hours	20 hours

His normal basic rate of wages was ₹ 80 per day of 8 hours and his dearness allowance was ₹ 240 per week of 48 hours.

Calculate the amount payable to him.

- On Time basis
 - On Halsey Plan basis (Bonus at 50% of Time saved) and
 - On Rowan Plan basis
3. Following are the purchases and sales of materials in the month of March, 2016. 15
- Prepare Stores Ledger showing valuation of stock on the basis of FIFO and Weighted Average Cost (Perpetual) Method

Date (2016)	Purchases (Units)	Rate (₹)	Sales (Units)
1st March	1,200	3.80	—
6th March	—	—	300
7th March	600	4.00	—
12th March	—	—	200
20th March	400	4.20	—
25th March	—	—	400
29th March	800	4.40	—
31st March	—	—	300

Out of purchases on March 7th, 100 units were returned to the supplier on March 9th.

OR

[TURN OVER

7. 3. (a) From the following information, Calculate Economic Order Quantity and Number of orders to be placed in the year according to Formula Method and Tabular Method. 8

A Company manufactures a product from raw material which is purchased at ₹ 80 per kg. The company incurs a cost of placing an order of ₹250 plus freight of ₹ 1,150 per order. The incremental carrying cost of inventory of raw material is ₹ 2 per kg. per annum. In addition, the cost of working capital finance on investment in inventory of raw material is ₹ 5 per kg per annum. The annual production of product is 50,000 units and 5 units are obtained from one kg. of raw material.

- 15 (b) KVD Ltd. has five departments; P, Q, R and S are production departments and S-1 is a service department. The actual costs are as follows: 7

Supervision	4,00,000
Insurance on stock	1,60,000
Lighting	1,80,000
Employer's liability of employees' insurance	60,000
Repairs	3,50,000
Rent	2,50,000
Depreciation	4,20,000

The following information is also available in respect of the five departments :

Particulars	Production Departments				Service Dept.
	P	Q	R	S	S-1
Area (Sq. ft.)	1400	1200	1100	900	400
No. of workers	250	300	100	100	50
Total Wages ₹	1,00,000	80,000	50,000	50,000	20,000
Value of plant ₹	2,00,000	1,80,000	160,000	1,00,000	60,000
No. of light points	50	40	35	30	25
Value of stock ₹	1,50,000	1,00,000	50,000	20,000	—

Prepare a Statement showing Primary Distribution of Overheads.

[TURN OVER

4. Bharat Electronics Ltd. produces a standard product and provides you the following information for the year ending 31st March 2016. 15

Particulars	₹
Raw Materials:	
Opening stock	1,00,000
Purchases	8,45,000
Closing stock	40,000
Custom duty	5,000
Direct wages	2,00,000
Chargeable expenses	1,00,000
Haulage charges	10,000
Loose tools written off	20,000
Works Manager's salary	1,65,000
Cost of rectification	5,000
Office overheads 10% of works overheads	
Selling expenses ₹ 4 per unit sold	
Finished Goods :	
Opening stock	1,000 Units (₹ 1,59,920)
Produced during the year	10,000 Units
Closing stock	2,000 Units
Profit desired on cost 25%	

Prepare Cost Sheet showing the various elements of cost both in total and per unit and also find out total profit and per unit profit.

4. Following is the summarised Profit & Loss Account of Govind Industries Ltd. for the year ended 31-3-2016. 15

Profit & Loss Account for the year ended 31-3-2016.

Particulars	₹	Particulars	₹
To Direct material	20,000	By Sales (6,000 units)	48,000
To Wages	7,540	By Closing Stock	
To Factory overheads	5,460	(Finished Goods 1,500 units)	6,600
To Office overheads	5,250	By Interest on Investments	17,700
To Selling & Distribution overheads	9,600	By Profit on sale of furniture	12,000
To Interest on loan	1,400		
To Income tax	750		
To Net profit	34,300		
	84,300		84,300

[TURN OVER

The Cost accounting records for the above period showed the following.

- 1) Direct material @ ₹ 5 per unit produced.
- 2) Direct wages @ ₹ 6 per unit produced.
- 3) Factory overheads were absorbed @ 25% of combined cost of Direct material & Direct wages.
- 4) Administrative overheads were absorbed @ ₹ 2.5 per unit produced.
- 5) Selling & Distribution overheads were absorbed @ ₹ 3.5 per unit sold.

You are required to prepare the detailed Cost Sheet for the year ended 31-3-2016 and a Statement of Reconciliation.

5. (a) Explain the importance of Cost Accounting. 8
 - (b) Explain ABC Classification system of Inventory Control. 7
- OR
5. Write short notes on (any three) 15
 - a) Labour Turnover
 - b) Purchase Order
 - c) Material Turnover Ratio
 - d) Limitations of Financial Accounting
 - e) Causes of Over and Under Absorption of Overheads

[TURN OVER

Duration : 2½ hours

Maximum marks: 75

- NOTE:
1. All Questions are compulsory.
 2. Figures to the right indicate full marks.
 3. Working Notes should form part of your answers.
 4. Use of simple calculator is allowed.

Q1. (A) Match the Columns: (Any 8)

08

	A *		B
1	Amalgamation Adjustment Account	*	Short Term Provision
2	During Amalgamation, Dissolution Expenses borne by Vendor company is	*	Personal Investment Accounting
3	During Internal Reconstruction, Appreciation in the value of Fixed Assets is	*	Debited to Realisation Account
4	Discosure of Franchises	*	Statutory Reserve
5	Disclosure of Land & Building	*	Credited to Capital Reduction Account
6	Disclosure of Interest Accrued & due on Debentures	*	Debited to Capital Reduction Account
7	Net Asset Method	*	Intangible Fixed Assets
8	During Internal Reconstruction, Increase in the value of Creditors is	*	Tangible Fixed Assets
9	Cum-Interest and Ex-Interest Price	*	Short Term Loans & Advances
10	Disclosure of Provision for Taxation	*	Purchase Consideration
		*	Credited to Realisation Account
		*	Other Current Liabilities

Q1. B. State Whether the following statements are True or False.

Rewrite the statement. (Any 7)

07

1. Amalgamation of Companies is governed by AS 14.
2. Sale Proceeds on sale of Right entitlement is Credited to Profit & Loss Account.
3. Unclaimed Dividend is shown under the head 'Other Current Liabilities' in the Balance Sheet of a Limited Company.

4. Contingent Liability is shown as a foot note in the Balance sheet of a Limited Company.
5. In Personal Investment Accounting, dividend received on Investments in shares for post acquisition period is credited to profit and loss Account.
6. In Personal Investment Accounting, Long Term Investments, at the end of the year are valued at cost.
7. 'Computer Software' is shown under the head 'Intangible Fixed Assets' in the Balance Sheet of a Limited Company.
8. Internal Reconstruction Expenses are debited to Capital Reduction account.
9. During Internal Reconstruction there is no liquidation of Company.
10. 'Pooling of Interest' is a method of calculating Interest on Debentures.

Q2. Following is the Summarised Balance Sheet of Mahesh Ltd as on 31/03/2016.

15

Liabilities	Rs.	Assets	Rs.
20,000 8% Cumulative Preference shares of Rs. 100 each fully paid	20,00,000	Goodwill	5,00,000
4,00,000 Equity Shares of Rs. 10 each fully paid	40,00,000	Land & Building	24,00,000
8% Debentures of Rs. 100 each (secured against Land & Building)	20,00,000	Plant & Machinery	22,00,000
Debenture interest due	80,000	Investments	2,40,000
Loan from Directors	4,00,000	Current Assets	34,40,000
Current Liabilities	20,00,000	Profit and Loss Accounts	17,00,000
	104,80,000		104,80,000

- Note: (a) Claims for damages against the company pending in court of law amounted to Rs.2,00,000.
 (b) Arrears of Preference dividend Rs.1,40,000.

Following Scheme of Reconstruction was approved & Implemented:-

- (i) Preference Shares were reduced to equal number of fully paid 8% Preference Shares of Rs.80 each.
- (ii) Equity Shares were reduced to equal number of fully paid Equity Shares of Rs. 2.50 each.
- (iii) Preference Shareholders waived half of the arrears of dividend and 28,000 equity shares of Rs.2.50 each fully paid were issued to them in lieu of the balance.
- (iv) 8% Debenture holders took over part of the Land & Building having book value of Rs.7,20,000 at Rs.10,00,000 in part satisfaction of their debts and 2,40,000 Equity Shares of Rs.2.50 each fully paid were issued to them for the balance amount.

- (v) Debenture holders waived their interest due on Debentures.
 (vi) The claims for damages pending in the court of law were settled by issue of 24,000 Equity Shares of Rs. 2.50 each fully paid.
 (vii) Directors converted their loan into equity shares of Rs. 2.50 each fully paid.
 (viii) Profit & Loss debit balance and intangible assets were written off.
 (ix) The assets were revalued as under:-
 Plant and Machinery Rs. 14,00,000,
 Investments Rs. 2,00,000.

You are required to pass necessary Journal Entries in the books of Mahesh Ltd.

OR

- Q2. Mr. Ashok entered into following transactions of Equity Shares of Rs. 10/- each of Anmol Ltd.

15

Date	No. of shares	Details
01/04/2015	1500	Rs. 34,500 Cost (opening)
15/05/2015	1000	Purchase @ Rs. 22/- per share
15/07/2015	2500	Bonus shares received
15/12/2015	1500	Sale @ Rs. 22/- per share
01/03/2016	1000	Sale @ Rs. 24/- per share

Additional Information :-

- On 1st September 2015, dividend @ Rs. 3/- per share was received for the year ended 31/3/2015.
- On 10th November 2015, the company made a right issue of equity shares in the ratio of one share for every five shares held on payment of Rs. 20/- per share.

Mr. Ashok subscribed for 50% of the shares and sold remaining of his rights @ Rs. 3/- per share.

You are required to prepare Investment in Equity Shares A/c in the books of Mr. Ashok for the year ended 31/03/2016. (Round off figures to the nearest Rupee.)

- Q3. The Summarised Balance Sheets of 'A' Ltd and 'B' Ltd as on 31/3/2016 were as follows:-

15

Liabilities	A Ltd. (Rs.)	B Ltd. (Rs.)	Assets	A Ltd. (Rs.)	B Ltd. (Rs.)
Equity share Capital (Shares of Rs. 10 each)	8,00,000	6,00,000	Land & Building	6,00,000	4,80,000
Reserves & Surplus	5,80,000	1,00,000	Plant & Machinery	1,20,000	80,000
Creditors	4,20,000	2,60,000	Motor Vehicle	60,000	40,000
1½ Debentures (Rs. 100/- each)	—	2,40,000	Debtors	4,00,000	1,60,000
			Inventories	4,60,000	3,60,000
			Cash & Bank Balance	1,60,000	80,000
	18,00,000	12,00,000		18,00,000	12,00,000

Additional Information :-

A Ltd & B Ltd amalgamate their business. They form 'AB' ltd. to takeover Assets and Liabilities of both the Companies on the following basis :-

Assets and Liabilities are taken over at Book value, with the following exceptions :

- Goodwill of 'A' Ltd and 'B' Ltd. to be valued at Rs. 2,80,000 and Rs. 80,000 respectively.
- Plant and Machinery of 'A' Ltd. to be valued at Rs. 2,00,000.
- Debentures of 'B' Ltd are to be discharged at a premium of 5% by issue of 6% Debentures of Rs.100/- each of 'AB' Ltd. at par.
- Entire Purchase Consideration is discharged by issuing Equity shares of 'AB' Ltd of Rs. 10 each at par.

You are required to:

- Calculate Purchase Consideration.
- Pass Journal entries in the books of 'AB' Ltd.
- Show notes to Accounts of 'Share Capital' and 'Long Term Borrowings' forming part of Balance Sheet of 'AB' Ltd. after Amalgamation.

OR

Q3 (A) Show the presentation of the following items under appropriate notes to accounts forming part of the Balance Sheet of Mehul Ltd as on 31/03/2016. 07

a) General Reserve (opening Balance)	Rs.50,00,000
b) Debenture Redemption Reserve (opening Balance)	Rs.10,00,000
c) Profit & Loss Account (opening Balance)	Rs.30,00,000
d) Net profit for the year (before Transfers & Appropriations)	Rs.40,00,000
e) Transfer to General Reserve	Rs.10,00,000
f) Transfer to Debenture Redemption Reserve	Rs.5,00,000
g) Proposed Equity Dividend	Rs. 4,00,000
h) Interim Dividend paid	Rs. 1,00,000

Q3. (B) Following is the extract of the Trial Balance of Satya Ltd. as on 31/03/2016. 08

Particulars	Debit (Rs.)	Credit (Rs.)
Profit & Loss Account (opening)		25,00,000
Advance Income Tax (2014-15)	1,20,000	
Provision for Income Tax (2014-15)		1,70,000
Advance Income Tax (2015-16)	1,30,000	

Additional Information :-

- 1) Net Profit before Tax for the year ended 31/3/2016 is Rs. 6,00,000.
- 2) Income Tax Provision to be made for the year 2015-16 is Rs. 1,40,000.
- 3) No effect is given to Income Tax Assessment which is completed for 2014-15, resulting in a Gross Demand of Rs. 1,50,000.

You are required to show, how the relevant items will appear in the Statement of Profit & Loss of Satya Ltd. for the year ended 31/3/2016 and also in the Balance Sheet as on 31/3/2016.

Q4. Following is the Trial Balance of Bharat Ltd. as on 31/03/2016

15

PARTICULARS	DEBIT Rs.	CREDIT Rs.
4,00,000 Equity Shares of Rs. 10/- each		40,00,000
12% Debentures		30,00,000
Profit and Loss Account (Balance as on 01/04/2015)		2,62,500
Bills Payable		3,70,000
Creditors		4,00,000
Sales		41,50,000
General Reserve		2,50,000
Provision for Doubtful Debts		35,000
Premises	30,72,000	
Plant and Machinery	33,00,000	
Opening stock of finished goods	7,50,000	
Debtors	8,70,000	
Goodwill	2,50,000	
Cash & Bank Balance	4,81,500	
Interim Dividend	3,92,500	
Purchases of finished goods	18,50,000	
Share Issue Expenses	50,000	
Salaries	9,79,800	
General Expenses	68,350	
Advertisement Expenses	2,02,250	
Bad debts	21,100	
Interest on Debentures	1,80,000	
	12,467,500	12,467,500

Additional information :

- 1) Authorised Capital of the Company is 5,00,000 equity shares of Rs. 10/- each.
- 2) Write off 10% of Share Issue Expenses.
- 3) Stock of finished goods on 31/03/2016 is Rs. 9,50,000/-
- 4) Create Provision for Doubtful debts @ 5% on Debtors.
- 5) Provide Rs. 1,80,000/- for Income Tax.
- 6) Depreciate Plant & Machinery @ 15% p.a.

From the above information prepare statement of Profit & Loss for the year ended 31/03/2016 & Balance sheet as on that date of BHARAT LTD.

OR

- Q4. Following Transactions appear in the books of Mr. Joshi for 12% Government Bonds of 15 Rs. 100/- each. Interest is payable on 30th June and 31st December every year. Transactions during the year ended 31/03/2016 are as follows:

Date	No. of Bonds	Details
01/04/2015	2400	Opening Balance at a cost of Rs. 2,28,000/-
01/06/2015	900	Sold @ Rs. 105 each cum Interest
01/09/2015	2100	Purchased @ Rs. 98 each Ex- Interest
01/12/2015	1200	Purchased @ Rs. 108 each Cum-Interest
01/02/2016	2700	Sold @ Rs. 97 each Ex-Interest

Prepare 12% Government Bond Account in the books of Mr. Joshi for the year ended 31/03/2016. Market value of the above investment on 31/03/2016 was Rs. 2,03,456/-
(Figures to be Rounded off to the nearest rupee)

- Q5. (A) Explain Pre-acquisition and Post-acquisition Dividend in Personal Investment Accounting. 07
- (B) Distinguish between Amalgamation v/s Absorption v/s External Reconstruction of Companies. 08

OR

- Q5. Write short notes on Any 3 of the following: 15
- Challenges in Convergence with IFRS
 - Disclosures of Reserves & Surplus in the Balance Sheet of a Limited Companies.
 - Methods of calculating Purchase Consideration.
 - Consolidation & Subdivision of Shares.
 - Sale of Right entitlement & Purchase of Right Shares.

[TURN OVER