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Somaiya Vidyavihar

SOMAIYA
VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Bachelor of Commerce (Accounting & Finance)	**SEM: VI**
	MAR/APR-2024

Sr. No.	Subject	Available
1.	131U02V601 – Financial Management (A), (B)	
2.	131U03V601 – Transfer Finance	
3.	131U02C602 – Advanced Costing Techniques (A)	
4.	131U02C602 – Advanced Costing Techniques (B), (C)	
5.	131U03V602 – Security Analysis & Portfolio Management (A), (B)	
6.	131U03C603 – Indirect Taxation (A), (B)	
7.	131U02V604 – Financial Analysis & Business Valuation	
8.	131U02C601 - Advanced Accounting (A), (B)	
9.		
10.		
11.		
12.		
13.		
14.		
15.		

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BAF
2024

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<table>
<tr><td colspan="3">Semester (November 2023 to March 2024)
Examination: End Semester Examination March/April 2024 (UG Programmes)</td></tr>
<tr><td>Programme code: 03
Programme: BAF</td><td>Class: TYBAF</td><td>Semester: VI</td></tr>
<tr><td>Name of the Constituent College:
S K SOMAIYA COLLEGE</td><td colspan="2">Name of the Department : Accounting and Finance</td></tr>
<tr><td>Course Code: 131U02V601</td><td colspan="2">Name of the Course: Financial Management</td></tr>
<tr><td>Duration : 2 Hrs.</td><td colspan="2">Maximum Marks : 60</td></tr>
<tr><td colspan="3">Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary</td></tr>
</table>

<table>
<tr><th>Question No.</th><th></th><th>Max. Marks</th><th>Co Attain ment</th></tr>
<tr><td>Q.1. A</td><td>Summarized balance sheet of ABC Ltd as on 31st March 2021 is as follows:
<table>
<tr><th>Liabilities</th><th>Rs</th><th>Assets</th><th>Rs</th></tr>
<tr><td>Equity share capital of Rs 10 each fully paid up.</td><td>6,00,000</td><td>Goodwill</td><td>1,00,000</td></tr>
<tr><td></td><td></td><td>Plant and machinery</td><td>8,00,000</td></tr>
<tr><td>General Reserve</td><td>2,60,000</td><td>Current assets</td><td>5,40,000</td></tr>
<tr><td>Profit and Loss A/c</td><td>3,40,000</td><td>Preliminary Expenses</td><td>60,000</td></tr>
<tr><td>10% debentures</td><td>2,00,000</td><td></td><td></td></tr>
<tr><td>Current liabilities</td><td>1,00,000</td><td></td><td></td></tr>
<tr><td></td><td>15,00,000</td><td></td><td>15,00,000</td></tr>
</table>
Assets are revalued as under :
Goodwill Rs 2,10,000 Plant and machinery Rs 8,40,000.
A contingent liability of Rs 40,000 has become payable. Determine the value of share under net asset method.</td><td>(10)</td><td>01</td></tr>
<tr><td>Q.1.B.</td><td>Daina Ltd has an issued and paid up capital of Rs 50,00,000 (Rs 100 each). The company declared dividend of Rs 12.50 lakhs in the last year and is expected to maintain the same level of dividend in future. Average rate of return is 10%. Calculate value of share of the company based on dividend approach.
OR</td><td>(5)</td><td>01</td></tr>
<tr><td>Q.1.C.</td><td>The balance sheet of Alpha Ltd as on 31st March 2024 is given below:
<table>
<tr><th>Liabilities</th><th>Rs</th><th>Assets</th><th>Rs</th></tr>
<tr><td>Equity share capital of Rs 10 each fully paid up.</td><td>15,00,000</td><td>Land & Building</td><td>3,00,000</td></tr>
<tr><td></td><td></td><td>Motor car</td><td>4,00,000</td></tr>
<tr><td>General Reserve</td><td>6,00,000</td><td>Plant & Machinery</td><td>8,60,000</td></tr>
<tr><td>14% Debentures</td><td>4,00,000</td><td>Debtors</td><td>2,40,000</td></tr>
<tr><td>Sundry creditors</td><td>3,00,000</td><td>Inventory</td><td>10,60,000</td></tr>
<tr><td>Bank overdraft</td><td>1,80,000</td><td>Cash and bank</td><td>1,40,000</td></tr>
<tr><td>Provision for taxation</td><td>1,20,000</td><td>Patents and trademarks</td><td>1,00,000</td></tr>
<tr><td></td><td>31,00,000</td><td></td><td>31,00,000</td></tr>
</table></td><td>(15)</td><td>01</td></tr>
</table>

Earnings for the past four years is as under:

Year	2020-21	2021-22	2022-23	2023-24
Profits after taxation	4,90,000	7,10,000	8,50,000	10,20,000

20% profits are transferred to reserves.

Assume Normal rate of return at 15% .

The management appointed an independent valuer who assessed the value of assets as under :

Assets	Rs
Land and building	20,22,000
Motor car	3,00,000
Plant and machinery	7,00,000
Debtors	2,00,000
Patents and Trademarks	50,000

Determine the yield value and intrinsic value based on above data. Also calculate the fair value of shares.

Q.2. A Discuss the merits of Tata Motors taking over Jaguar Ltd and the possible synergy benefits. Is their a change in customers perspective towards Tata Motors pre-merger and post merger. (15) 02

OR

Q..2.B. Sine Ltd is planning to consider a takeover of Cosine Ltd. The particulars of both companies are : (15) 02

Particulars	Sine Ltd	Cosine Ltd
Earnings after tax	10,00,000	12,00,000
No of equity shares	8,00,000	10,00,000
Price Earnings ratio	8	10

1) Measure the earning per share of each company.
2) Compute the market value of each company before merger.
3) Assuming that management of P Ltd offer one share of Sine Ltd for every four shares of Cosine Ltd , determine the purchase comsideration .
4) what shall be market value post-merger assuming there are no synergy benefits? What is the new market price of the share assuming no change in the price earning ratio of acquiring company?

Q.3. A. Apex steels requires an asset costing Rs 20 lacs . Laxmi finance offers a hire purchase proposal for a period of 4 years at 12% interest rate. As per the hire purchase agreement Rs2,00,000is payable as down payment and balance in 4 equal instalments along with interest. They are also offered a lease proposal where lease rental would be Rs 8,60,000 for next 5 years. Which option should be selected assuming cost of capital at10% for lease financing. (15) 03

OR

Q.3.B. PQR Ltd is planning to engage a factor agent who charges annually 5%. Total sales of the firm is Rs. 10,00,000 out of which 80% are credit sales. Average collection period is 73 days. Assume cost of capital at 10%. The company approaches a factor agent who will enable savings in collection cost of Rs 1,40,300. At the same time bad debts will reduce from 3% to 1%. Average collection period will reduce to 50 (15) 04

	days. a) What is the effective cost of factoring? b) Determine is it advisable to employ a factor agent. c) What problems the firm can face due to delay in collection from debtors if the factor agent is not hired?		
Q.4 A.	Answer the following : a) A Ltd is planning to buy a machine on hire purchase with downpayment of 20% and balance to be payable in 4 equal annual intalments. If the cash price of the amchine is Rs 5,00,000 determine the equated instalment to be paid per annum. assume cost of capital 10% per annum and present value annuity factor at 10% for 4 years as 3.170. also prepare the amortization schedule indicating interest and principal amount separately. b) Mahindra Ltd are the leaders in the automobile sector with a significant market share. They are planning to acquire Satya Infoways a Tech IT firm. What kind of merger is this? How will this help Mahindra Ltd in the long run? c) Explain the types of lease in short.	(15)	02,03, 04

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VIDYAVIHAR UNIVERSITY

Semester (November 2023 to March 2024)
Examination: End Semester Examination March/April 2024 (UG Programmes)

Programme code: 03 **Programme: BAF**	**Class:** TYBAF	**Semester:** VI
Name of the Constituent College: **S K SOMAIYA COLLEGE**	**Name of the Department** : Accounting and Finance	

Course Code: 131U02V601	**Name of the Course: Financial Management**
Duration : 2 Hrs.	**Maximum Marks : 60**

Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3)

<table>
<tr><th>Question No.</th><th></th><th>Max. Marks</th><th>Co Attain ment</th></tr>
<tr><td>Q.1. A</td><td>Explain the various forms of corporate restructuring.
OR</td><td>(15)</td><td>01</td></tr>
<tr><td>Q.1. B.</td><td>Total sales for the year are Rs. 1200 lakhs with cost of collection being Rs 12,00,000. Estimated default is 3% and the average collection period is 90 days. A factor agent is to be appointed with 5% factoring fees. The agent shall advance 90% of the receivables at 15% interest per annum. Bad debts will be eliminated if factor agent is appointed. Assume 360 days in a year. Determine is effective cost of factoring. Should the factor agent be hired or not?</td><td>(10)</td><td>04</td></tr>
<tr><td>Q.1.C.</td><td>Rokade Enterprises are planning to buy a machinery costing Rs. 2,00,000 on hire purchase system. 20% down payment is agreed upon under the terms and conditions of Hire Purchase agreement and balance amount was paid in 3 equal instalments along with interest at 10% per annum. Prepare a repayment schedule indicating the total price paid on hire purchase basis.</td><td>(5)</td><td>03</td></tr>
<tr><td>Q.2. A,</td><td>The balance sheet of Bruce Lee Ltd as of 31st March 2024 is given below:
<table>
<tr><th>Liabilities</th><th>Rs</th><th>Assets</th><th>Rs</th></tr>
<tr><td>Equity share capital of Rs 20 each fully paid up</td><td>20,00,000</td><td>Freehold land</td><td>10,00,000</td></tr>
<tr><td></td><td></td><td>Equipment</td><td>5,00,000</td></tr>
<tr><td></td><td></td><td>Debtors</td><td>7,00,000</td></tr>
<tr><td>Reserves</td><td>5,00,000</td><td>Inventory</td><td>10,00,000</td></tr>
<tr><td>12% Bank Loan</td><td>6,00,000</td><td>Bank balance</td><td>5,00,000</td></tr>
<tr><td>Creditors</td><td>9,00,000</td><td>Goodwill</td><td>5,00,000</td></tr>
<tr><td>Bank overdraft</td><td>5,00,000</td><td>Preliminary expenses</td><td>3,00,000</td></tr>
<tr><td></td><td>45,00,000</td><td></td><td>45,00,000</td></tr>
</table>
Net profits of the company for past 4years are as under :
<table>
<tr><td>2018-19</td><td>7,80,000</td></tr>
<tr><td>2019-20</td><td>9,20,000</td></tr>
<tr><td>2020-21</td><td>12,80,000</td></tr>
</table></td><td>(15)</td><td>01</td></tr>
</table>

2021-22	16,20,000

1) It is the policy of firm to transfer 10%profits to revenue reserve.
2) Assume normal rate of return in the industry is 12%.
3) On 31st March the valuers assessed value of assets as under :

Assets	Rs
Freehold Land	16,00,000
Equipment	3,00,000
Inventory	9,10,000
Debtors	6,90,000
Goodwill	8,00,000

The solicitors informed that there is a contingent liability of Rs 2,00,000 expected to materialize. Compute fair value based on the above data.

OR

Q.2. .B. From the following details of Virat Ltd determine: (15) 02

a) Intrinsic Value
b) Yield value (earnings approach)
c) Fair value ,of the shares of company :

2,00,000 Equity shares of Rs 100/	2,00,00,000
20000 12% preference shares of Rs 100 /	20,00,000
Securities Premium	25,00,000
Profit and loss account	12,00,000
General Reserve	48,00,000
Creditors	12,50,000
Bills payable	7,50,000
Fictitious assets	1,80,000

Profits of last 3 years are Rs 10,00,000 , Rs 12,00,000 and Rs 14,00,000 out of which management transfers 20% profits to general reserve. Assume normal rate of return as 10%

Q.3. A M Ltd has decided to go for an asset costing Rs 15,00,000. It has an economic life of 5 years at the end of which it shall fetch a salvage value of Rs. 3,00,000. Depreciation is assumed at 20% per annum on reducing balance method. They have approached by Nidhi lease company which offered to lease the required asset for 5 years at a lease rental of Rs. 4,20,000 per annum. cost of capital is assumed at8% per annum. evaluate the option to buy the asset or take the asset on lease. (15) 04

OR

Q..3.B. Sunday Ltd is planning to acquire Monday Ltd by way of merger in an all-equity deal. Following information is extracted from the books of both companies. (15) 01

Particulars	Sunday Ltd	Monday Ltd
Equity share capital of Rs 10 each	450	180
Profits after tax	90	18
Market price per share	60	37

1) Calculate pre-merger EPS of both companies before merger.
2) What is current price earning ratio of both companies?
3) The merger shall take place based on exchange of shares based on market value of shares. Determine the exchange ratio and the revised EPS after merger.

Q.4. A	Answer the following questions: a) Mohan Café is a 3 star hotel who wants to arrange for luxury cars to pick up and drop the guests from hotel to airport and vice versa. Suggest which type of lease is most suitable for them along with its advantages . b) Linnet Ltd is planning to merge with Jennet Ltd as on 1st April 2024. What are the possible synergies for the mergers if both are the market leaders in the cold drinks industry? c) Determine the total interest paid in case of an asset of cash price Rs 1,00,000 is bought on hire purchase with 20% down payment and balance paid in 4 equal instalments along with interest. Also accertain the hire purchase price of the asset.	(15)	01,02, 03

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2023 to March 2024)
Examination: End Semester Examination April 2024 (UG Programmes)

Programme code: 02. **Programme: BAF**	**Class:** TY	**Semester:** VI
Name of the Constituent College: S.K. SOMAIYA	**Name of the Department** Accounting & Finance	
Course Code: 131U02C601	**Name of the Course: Advanced Accounting**	
Duration: 2 Hrs.	**Maximum Marks: 60**	

Instructions: 1) All questions are compulsory. 2) Figures to the right indicate full marks.
3) Use of simple calculator is allowed.

Q. No.		Max. Marks	CO
Q.1.	From the following trial balance and additional information Prepare a Balance Sheet of DENA Bank Ltd. As on 31st March 2024.	15	01

DR.	₹ [In Lakhs]	CR.	₹ [In Lakhs]
Cash in hand	120	Share Capital of ₹100, ₹50 called	500
Cash with RBI	200	Reserve Fund	1,300
Cash with other Banks	300	Dividend Equalisation Reserve	200
Money at Call	50	P & L [31-3-2023]	500
Investment in Govt. Securities	150	Current a/c	80
Shares & Debentures	50	Saving Bank Deposits	300
Gold	350	Fixed Deposits	800
Loans	1890	Recurring Deposit	200
Bills Discounted	300	Borrowings	600
Fixed Assets at cost	2,000	Branch Adjustment	20
Fixed Asset acquired for claim	60	Unclaimed Dividend	10
Advance Tax	20	Unpaid Dividend	30
Tax deducted at source	10	Proposed Dividend	50
Accrued Interest	70	Provision For Tax	30
		Unexpired Discount	50
		Bills Payable	40
		Accrued Interest	40
		Provision for Depreciation	800
		Reserve For Doubtful Debts	20
	5,570		**5,570**

Additional Information's: -

1. Bills for collection: - ₹ 2,00,00.
2. A claim by employees for bonus amounting to ₹ 15,000is pending award to arbitration.
3. Liability for partly paid Investment ₹20,000.
4. Guarantees given on behalf of constituents ₹ 25,000.

OR

Q.1. From the following information prepare Profit & Loss a/c of Andhra Bank Ltd. As on 31-3-24;- 15 01

PARTICULARS	₹
Interest On Fixed Deposits	2,00,000
Profit on sale of Investments	80,000
Interest on Saving Deposits	4,00,000
Loss on sale of Fixed Assets	20,000
Commission & Brokerage [cr.]	50,000
Dividend Received	10,000
Interest & Discount	15,00,000
Interest on Investments	40,000
Salaries	1,02,000
Salary to General Manager	48,000
Directors Fees	10,000
Rent & Rates	40,000
General Expenses	6,000
Stationery & Printing	10,000
Audit Fees	4,000

Additional Information: -

1. Rebate on bills discounted for unexpired term amounted to ₹ 10,000.
2. Create provision for taxation for ₹ 2,00,000.
3. Provide for doubtful debts for ₹ 60,000.
4. ₹ 15,000 to be transferred to General Reserve.

Q.2 From the following information taken from the books of India Assurance Company Prepare final account for the year ended 31st March 2024: - 15 02

PARTICULARS	₹ in Lakhs	PARTICULARS	₹ in Lakhs
Share Capital	9.00	Cash	2.82
Profit & Loss a/c [Cr.]	0.75	Creditors	0.22
Re insurance premium	1.12	Commission on Direct Business	3.00
Claims recovered from reinsurance	0.25	Commission on reinsurance accepted	0.60
Commission on reinsurance ceded	0.48	Outstanding premium	0.22
Advance Tax paid	2.50	Claims intimated but not paid [1/4/23]	0.60
Fire Fund as on 1/4/2023	9.30	Expenses of management	4.30
General Reserve	4.50	Audit fees	0.36
Investments	36.00	Rent paid	0.24
Premiums	27.00	Income from Investment	1.53
Claims Paid	6.00		

Adjustments: -

a. Income Tax to be provided at 35 %.
b. Claims intimated but not paid on 31/3/24 ₹1,00,000.
c. Expenses of management include legal expenses of ₹ 36,000 relating to claims.
d. Transfer ₹ 2,00,000 to General Reserve.

OR

Q.2. From the following Trial Balance as on 31st March 24 15 05

Prepare Final accounts in the prescribed format as per applicable legal provisions

SHIVA CHS LTD. TRIAL BALANCE

PARTICULARS	₹	PARTICULARS	₹
Land & Building	1,94,06,425	Collection for sinking fund	59,827
MSEB Deposit	21,245	Advance from members	22,514
Nonagricultural tax	29,913	Collection for establishment expenses	6,54,600
Property taxes	1,63,724	Collection for property expenses	6,31,602
Repairs & Maintenance	5,80,180	Entrance fees	2,350
Salaries	2,23,176	Income & Expenditure a/c	2,28,583
Subscription to Education fund	288	Interest on FD	1,26,371
TMC deposit for water	44,450	Interest on saving bank	37,655
Water charges	1,84,320	Members contribution for building	1,94,06,425
1 share of MDC co-op. Bank	500	Outstanding expenses	1,73,645
Accounting charges	12,819	Sale of scrap	24,501
Audit fees	3,456	Security deposit	1,25,056
Cash in bank	3,22,347	Sinking fund opening	6,77,755
Cash on hand	1,166	Statutory reserve opening	24,63,376
Dues from members	5,03,497	Subscribed capital: - 480 shares ₹ 50 each	24,000
Electricity charges	3,04,414	Transfer fees	50,000
Equipments	67,906		
Fixed deposits	20,92,632		
Fixed deposit – Sinking fund	7,00,000		
Housekeeping	45,802		
	2,47,08,260		**2,47,08,260**

Adjustments: -

a. Prepaid electricity charges ₹ 19,353.
b. Accrued Interest on FD ₹ 21,515.
c. Depreciation on Equipment at 10%.
d. Accrued interest on Sinking Fund FD ₹ 41,894.

Q.3. **BALANCE SHEET OF PRAPTI LTD.** 15 04

LIABILITIES	₹	ASSETS	₹
45,000 Equity shares of ₹10 each	4,50,000	Goodwill	1,00,000
750, 10% Preference shares	75,000	Building	4,95,000
Profit & Loss Account	3,00,000	Machinery	2,70,000
10 % Debentures	3,00,000	Debtors	4,50,000
Bank Loan	75,000	Cash	1,80,000
Creditors	1,80,000	Bills Receivables	60,000
Bills Payable	1,95,000	Preliminary Expenses	20,000
	15,75,000		**15,75,000**

a. Profits for previous years before tax: -
2019 - ₹ 2,70,000, 2020 - ₹ 3,90,000, 2021 - ₹ 1,05,000, 2022 - ₹ 6,15,000.
b. In the year 2021 loss of ₹ 60,000 was recorded due to fire.
c. In the year 2022 profit of ₹ 1,20,000 was earned from the non-trading activity.
d. In future expenses of ₹ 15,000 to be incurred for rent.
e. Building & Machinery were revalued at ₹ 6,15,000 & ₹ 3,45,000.
f. Debtors include bad debts of ₹ 30,000.
g. Transfer to general reserve was provided at 5%.
h. Normal Rate of Return is 10% & Tax rate is 30%.
Find out the value of Equity shares by:-
Intrinsic value method, Yield method & Fair value method.
For valuation of shares consider Goodwill as 3 years purchase of super profit.

OR

Q.3. A. As on 1st April 2016 Prapti Ltd. as NBFC – ND – SI, entered into a Hire Purchase transaction for sale of some Machines, the total Cash Price of Machines amounted to ₹ 80 Lakhs & the Hire Purchase price was ₹ 100 lakhs. The down payment was ₹ 20 lakhs was received on the date of sale and the balance was to be received in 5 equal instalments. The first instalment was duly collected on 31st March 2017. However, the hire purchaser failed to pay the instalment on 31st March 2018. 10 03

The company was finalizing its accounts on 15th July 2018 & wants your advice & calculations on the followings: -

a. Calculate basic provision.
b. Calculate the Net Book Value of Assets as on 31st March 2018 as per the prudential norms applicable. Assume the depreciation @ 20 % p.a. & that the rate of interest applicable is 10.42 %.
c. Calculate the additional provision if required to be made as per the prudential norms applicable.

B. OM Finance Ltd. a non-banking financial company, gives the following details from its Balance Sheet for the year ended 31st March 2024. You are required to calculate the Net Owned Funds as per the RBI requirements for NBFCs 05 03

PARTICULARS	₹ [In Lakhs]
Paid up Equity Capital	600
Paid up convertible preference capital	400
Non-convertible preference share capital	500
General Reserve	700
Profit & Loss A/c [Dr. Bal.]	150
Revaluation Reserve	100
Capital Reserve [Not realizing cash]	50
Deferred Revenue Expenses	50
Goodwill	120
Cash & Bank balance	150
Investments in shares of subsidiaries & group companies	120
Investments in Debentures of a same group company	180

Q.4. Answer the followings: - [5 MARKS EACH] 15

A. The following information is available in the books of SBI Bank Ltd.as on 31st MARCH 2024 01

Bills Discounted ₹ 50,50,500.
Rebate on Bills Discounted as on [1-4-23] ₹ 3,25,000.
Discount received ₹ 10,75,000.

Value of bill ₹	**Due Date**	**Rate of Discount**
15,00,000	08-06-2024	10%
25,00,000	15-07-2024	12%
10,50,500	25-08-2024	14%

Calculate the amount of rebate & pass necessary Journal Entries.

B. MOKSH Ltd. is an NBFC providing Hire Purchase Solutions for acquiring consumer durables. The following information is extracted from its books for the yearended 31st March 2024: 03

ASSET FUNDED	Interest overdue but recognized		Net Book Value outstanding
	Period Overdue	Interest [₹ in Lakhs]	[₹ in Lakhs]
Computers	Up to 12 months	960	40,812
T.V.	20 months	205	4,950
Washing Machines	32 months	104.20	2,530
Refrigerators	45 months	53.50	1,328
Air Conditioners	52 months	13.85	305

You are required to calculate amount of provision to be made.

C. From the following information prepare schedule of Fixed Assets as on 31st March 2024, related to final account of general insurance company. 02

Assets	**Cost**	**Provision for Dep.**
	₹	**[as on 1st April 2023]**
Goodwill	2,30,000	NIL
Building	4,00,000	30,000
Office Equipment's	30,000	7,000
Motor Car	70,000	25,200
Machinery	5,00,000	1,28,000

Provide depreciation on W.D.V. of the assets at the following rate: -

ASSETS	**RATE**
BUILDING	5%
MACHINERY	20%
MOTOR CARS	20%
OFFICE EQUIPMENTS	10%

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VIDYAVIHAR UNIVERSITY

April 2024

Examination: End Semester Examination April 2024 (UG Programmes)

Programme code: 03
Programme BAF Hons.

Class: TY

Semester: VI

Name of the Constituent College:
S K Somaiya College

Name of the Department:
Accounting and Finance

Course Code: 131U03V601

Name of the Course: Transfer Pricing

Duration : 2 hours

Maximum Marks: 60 marks

Instructions:
1) All questions are compulsory.
2) Use of a simple calculator is permitted.
3) Figures to the right indicate the marks assigned to the questions.
4) Working notes should form part of your answers.

Question No.		**Max. Marks**	**CO Attainment**
Q1	**A.** ABC Ltd., Canada holds 35% shares in LMN Ltd., India. LMN Ltd. develops software and does both onsite and offsite consultancy services for the customers. LMN Ltd. during the year billed ABC Ltd. Canada for 120 man-hours at the rate of ₹1,800 per man hour. The total cost (direct and indirect) for executing this work amounted to ₹2,25,000. However, LMN Ltd. billed XYZ Ltd.,India at the rate of ₹2,800 per man hour for the similar level of manpower and earned a Gross Profit of 50% on its cost. The transactions of LMN Ltd. with ABC Ltd. and XYZ Ltd. are comparable, subject to the following differences: • While LMN Ltd. derives technology support from ABC Ltd., there is no such support from XYZ Ltd. The value of technology support received from ABC Ltd. may be put at 18%. of normal gross profits. • As ABC Ltd. gives business in large volumes, LMN Ltd. offered to ABC Ltd., a quantity discount which may be valued at 10% of normal gross profits. • In the case of rendering services to ABC Ltd., LMN Ltd. neither runs any risk nor incurs any marketing costs. On the other hand, in the case of services to XYZ Ltd., LMN Ltd. has to assume all the risk and costs associated with the marketing function which may be estimated at 12% of the normal gross profits.	15	CO 2

	• LMN Ltd. offered one month credit to ABC Ltd. The cost of providing such credit may be valued at 2% of the gross profits. No such credit was given to XYZ Ltd. Compute the Arm's Length Price along with income to be increased under the Cost-Plus Method. **(15 marks)**		
	OR		
	B. What is the legislative objective of bringing into existence the provisions relating to transfer pricing in relation to international transactions? Examine. **(7 marks)** **C.** Examine with reasons whether the two enterprises referred to in the independent situations given below can be deemed to be associated enterprises under the Indian transfer pricing regulations: • PQR Inc, a US company having its place of effective management also in the USA, has advanced a loan equivalent to ₹170 crores to Mahanadi Ltd., an Indian company on 10-4-2023. The total book value of assets of Mahanadi Ltd. is ₹300 crores. The market value of the assets, however, is ₹320 crores. Mahanadi Ltd. repaid ₹30 crores before 31-3-2024. • Queenland plc., a French company having its place of effective management also in the France, has the power to appoint 3 of the directors of Godavari Ltd, an Indian company, whose total number of directors in the Board is 8. • Total value of raw materials and consumables of Saraswati Ltd., an Indian company, is ₹900 crores. Of this, supplies to the tune of ₹830 crores are by Zoel GmbH, a German company having its place of effective management in Germany, at prices and terms decided by the German company. **(8 marks)**	**15**	**CO 1 and CO 2**
Q2	**A.** Examine the consequences that would follow if the Assessing Officer makes adjustment to arm's length price in international transactions of the assessee resulting in increase in taxable income. What are the remedies available to the assessee to dispute such adjustment? **(7 marks)** **B.** Mr. Hari holds 30% of voting power in ABC Inc, a company incorporated under the laws of Country A. For the purpose of expansion of business, the said company enters into an agreement with XYZ Ltd., a company incorporated under the Indian laws. As per one of the clauses of the agreement, ABC Inc has the power to appoint 6 directors of XYZ Ltd., which has 12 directors on the board. Further, total purchases by XYZ Ltd. for the F.Y. 2023-24 is estimated to be ₹500 crores, out of which, purchases of ₹48 crores has been sourced locally and the balance shall be supplied by ABC Inc. The price for entire purchase has been fixed in the agreement and the conditions for supply are determined by ABC Inc. Advise Mr. Hari as to whether ABC Inc and XYZ Ltd are Associated Enterprises, on the basis of the provisions of the Income-tax Act, 1961. **(8 marks)**	**15**	**CO 1 and CO 2**
	OR		

	C. NP Ltd., an Indian Company, has borrowed ₹80 crores on 01-04-2023 from M/s. TL Inc, a company incorporated in London, at an interest rate of 10% p.a. The said loan is repayable over a period of 5 years. Further, loan is guaranteed by M/s ST Inc. incorporated in UK. M/s. Tweed Inc, a non-resident, holds shares carrying 40% of voting power both in M/s NP Ltd. and M/s ST Inc. Net profit of M/s. NP Ltd. for P.Y. 2023-24 was ₹7 crores after debiting the above interest, depreciation of ₹6 crores and income-tax of ₹4 crores. Calculate the amount of interest to be disallowed under the head "Profits and gains of business or profession" in the computation of M/s NP Ltd., giving appropriate reasons. **(15 marks)**	15	CO 4
Q3	**A.** Allepey Ltd. is an Indian Company in which Andes Inc., a Country Z company holds 38% shareholding and voting power. During the previous year 2021-22, the Indian company supplied computers to the Country Z based company @CZD 1100 per piece. The price of computer supplied to other unrelated parties in Country Z is @CZD 1400 per piece. During the course of assessment proceedings relating to A.Y.2022-23, the Assessing Officer carried out primary adjustments and added a sum of ₹168 lakhs, being the difference between actual price of computer and arm's length price for 700 pieces and it was duly accepted by the assessee. The Assessing Officer passed the order, in which the primary adjustments were made, on 1.6.2023. On account of this adjustment, the excess money of ₹168 lakhs is available with Andes Inc, Country Z. In this context, Allepey Ltd. wants to know the effect of this transaction for the assessment year 2024-25 on the basis that it declared an income of ₹300 lakhs and the excess money is still lying with Andes Inc. till today. Assume the rate of exchange as 1 CZD = ₹80. [CZD stands for Country Z Dollars, which is the currency of Country Z]; six-month LIBOR as on 30.9.2023 is 9.50%. **(15 marks)**	15	CO 3
	OR		
	B. Kio Japan and AB Ltd, an Indian Company are associated enterprises. AB Ltd manufacture's cellule Phones and sells them to Kio Japan and Geel, a Company based at Beijing, During the year AB Ltd supplied 2,50,000 Cellular Phones to Kio Japan at a price of ₹3,000 per unit and 35,000 units Geel at a price of ₹4,800 per unit. The transactions of AB Ltd with Kio and Geel are comparable subject to the following considerations. Sales to Kio is on FOB basis, sales to Geel are CIF basis. The freight and insurance paid by Kio for each unit is ₹700. Sales to Geel are under a free warranty for Two Years whereas sales to Kio are without any warranty. The estimated cost of executing such warranty is ₹500. Since Kio's order was huge in volume, quantity discount of ₹200 per unit was offered to it. Compute the Arm's Length Price and the amount of increase in the Total income of AB Ltd, if are due to such Arm's Length Price. **(15 marks)**	15	CO 3

Q4	**A.** A Ltd., an Indian company, provides technical services to a company, XYZ Inc., located in a NJA for a consideration of ₹40 lakhs in October, 2023. It charges ₹42 lakhs for similar services rendered to PQR Inc., which is not located in a NJA. PQR Inc. is not an associated enterprise of A Ltd. Discuss the tax implications under section 94A read with section 92C in respect of the above transaction of provision of technical services by A Ltd. to XYZ Inc. **(5 marks)** **B.** Examine whether transfer pricing provisions under the Income-tax Act, 1961 would be attracted in respect of the following cases - (i) Transfer of process patents by Rho Ltd., an Indian company, to ABC Inc., a US company, which guarantees 12% of the total borrowings of Rho Ltd. (ii) Marketing management services provided by Athena, a Greece company to Alpha Ltd., an Indian company. Athena is a "specified foreign company" as defined in section 115BBD, in relation to Alpha Ltd. **(5 marks)** **C.** Examine the procedure to be followed by the Assessing Officer before making reference to TPO. Can the TPO enlarge his scope of work by calling for details of trading activity at Surat, when the Assessing Officer has made reference only in respect of the manufacturing unit at Hyderabad? Examine. **(5 marks)**	**15**	**CO 2** **and** **CO 2** **and** **CO 4**

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2024
Examination: End Semester Examination April 2024 (UG Programmes)

Programme code: 02
Programme: Accounting and Finance
Class: TYBAF
Semester: VI
Name of the Constituent College: S K Somaiya College
Name of the Department Accounting and Finance
Course Code: 131U02C602
Name of the Course: Advanced Costing Techniques
Duration : 2 Hrs.
Maximum Marks : 60

Instructions:
1) All Questions are compulsory.
2) Each Question carries 15 marks.
3) **Figures** to the **right** indicate **marks** assigned to the questions.
4) **Working notes** should form **part of your answer.**

No.		**Max. Marks**	**Co Attainment**
Q.1	Smart byte Manufacturing Company Ltd has the following data:	**(15)**	CO5

Activities	Overhead (in ₹)	Cost Driver
Procurement Cost	30,000	No of order
Repairs and maintenance	90,000	Machine hours
Set up Cost	27,000	No. of production runs
Material Handling	18,000	No. of order executed

Output and relevant data are:

Product	Output Units	No. of Order	Machine Hours	Production runs	No. of Order Executed
A	1,000	40	15,000	3	200
B	1,500	60	10,000	5	400

Required to calculate:
Cost Driver rate (b) Total Overhead (c) Overhead rate

OR

(15) CO1

A factory is currently working at 50% capacity and produces 20,000 units.
The unit cost of ₹360 is made up as follows:

Material	₹200
Labour	₹60
Factory overheads	₹60 (40% fixed)
Administrative overheads	₹40 (50% fixed)

a) At 50% capacity working, the product costs ₹360 per unit and is sold at ₹400 per unit.
b) At 60% working, raw material cost increases by 5% and selling price falls by 2%.
c) At 80%, raw materials cost increases by 6% and the selling price falls by 4%.

Prepare a Flexible Budget and estimate the profits of the company when it works at 60% and 80% capacity and advise the company.

Q.2. ABC Co furnishes you the following income information: (15) CO2

	2023	
	First Half Year ₹	**Second Half Year** ₹
Total Cost	8,00,000	14,00,000
Profit Earned	2,00,000	6,00,000

From the above, you are asked to compute the following assumption that the fixed cost remains the same in both periods.

1) Profit Volume Ratio 2) Fixed Cost 3) Break-even Point
4) Amount of Profit or loss when sales are ₹ 45,00,000
5) Amount of Sales required to earn a profit of ₹ 7,50,000

OR

Q.2. Deep Joshi Ltd. produces three products- P, Q, and R, from the same manufacturing facilities. (15) CO3

Particulars		P	Q	R
Selling price/Per unit (₹)		200	160	100
Variable cost/Per unit (₹)		120	120	40
Fixed expenses/month (₹)	2,76,000			
Maximum production per month (units)		5,000	8,000	6,000
Total hours production per month (hours)	200			
Maximum demand per month (units)		2,000	4,000	2,400

The processing hours cannot be increased beyond 200 hours per month.
You are required to compute the most profitable product mix and profit from the above product Mix.

Q.3. The budget and the actual sales for a period in respect of three products are given below: (15) CO4

Budgeted Figures

Product	Quantity	Price ₹	Value ₹
A	1,000	5	5,000
B	750	10	7,500
C	500	15	7,500
	2250		**20,000**

Actual Figures

Product	Quantity	Price₹	Value ₹
A	1,200	6	7,200
B	700	9	6,300
C	600	14	8,400
	2500		**20,000**

Calculate all Sales Variance

OR

Q.3. Deep Construction Limited gives you the following information: (15) CO4

	Standard		Actual	
	Quantity (Tonnes)	Rate per Tonnes (₹)	Quantity (Tonnes)	Rate per Tonnes (₹)
Material:				
A	1,500	500	1,700	550
B	1,200	400	1,150	350
C	500	2,000	600	1,950
Labour:	Hours	Hourly Rate	Hours	Hourly Rate
L_1	30,000	15	28,000	18

L2	20,000	30	19,000	35

Calculate the following Variances:

(a) Material Cost Variance
(b) Material Price Variance
(c) Material Usage Variance
(d) Labour Cost Variance
(e) Labour Rate Variance
(f) Labour Efficiency Variance

Q.4. **Answer the following:** **(15)**

(a) Explain the essentials of Uniform Costing. (03) CO5

(b) Fixed Cost ₹6000 (03) CO2
Profit ₹1500
Break Even Point ₹30,000
Calculate Sales and Variable Cost.

(c) Calculate Labour Efficiency Variance from the following: (03) CO4

	Standard	Actual
Hours	15 hours	18 hours
Rate	₹6.5	₹5.5

(d) A Company manufactures two products AXE and YEE. (03) CO3
The contribution per unit is ₹ 60 and ₹ 45 respectively.
Product AXE requires 10 hours per unit and Product YEE 6 hours per unit.
If time is the limiting factor.
Find the most profitable product.

(e) Explain the prerequisites of Interfirm Comparison. (03) CO5

BAF-VI
Adv. Cost Tech

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2024
Examination: End Semester Examination April 2024 (UG Programmes)

Programme code: 02
Programme: Accounting and Finance
Class: TYBAF
Semester: VI
Name of the Constituent College: S K Somaiya College
Name of the Department Accounting and Finance
Course Code: 131U02C602
Name of the Course: Advanced Costing Techniques
Duration : 2 Hrs.
Maximum Marks : 60

Instructions:

1) Q.No 1 to Q.No 3 are compulsory **with Internal Choice.**
2) Q.4. is compulsory.
3) Each Questions carries 15 marks.
4) **Figures** to the **right** indicate **marks** assigned to the questions.
5) **Working notes** should form **part of your answer.**

Q.No.		**Max. Marks**	**Co Attainment**
Q.1	XYZ Ltd is following ABC. Budgeted overheads and cost drivers volumes are as follows –	**(15)**	CO5

Cost pool	Budgeted Overheads (₹)	Cost Drivers	Budgeted Volume
Material Procurements	23,20,000	No of orders	4,400
Material Handling	10,00,000	No of Movements	2,720
Maintenance	38,80,000	Maintenance Hrs	33,600
Set up	16,60,000	No of Set Ups	2,080
Quality Control	7,04,000	No of Inspections	3,600
Machinery	28,80,000	No of Machine Hrs	96,000

The company has produced a batch of 10,400 components.
Its material cost was ₹ 5,20,000 and labour cost ₹ 9,80,000.

Usage Activities –

Material Orders	104	Maintenance hrs	2,760
Material Movements	72	Quality Control Inspection	112
Setups	100	Machine Hours	7,200

Calculate: - (1) Cost driver rates (2) Cost of batch of components

OR

Q.1.	Excellent Manufacturers can produce 4000 units of a certain product at 100% capacity. The following information is obtained from the books of account: -	**(15)**	CO1

Units Produced	August 2018 2,800 Units	Sept 2018 3,600 Units
	₹	₹
Repairs and Maintenance	500	560
Power	1,800	2,000
Shop Labour	700	900
Consumable Stores	1,400	1,800
Salaries	1,000	1,000
Deprecation	1,400	1,400

Direct material cost per unit is ₹ 1 and Direct wages per hour ₹ 4.

You are required to:

Compute the cost of production or Total Cost at 100%, 80% and 60% capacity showing the variable, fixed and semi-variable costs.

Q.2. The Sales and profits for two years were as follows: **(15)** CO2

Year ending 31st March	**Sales (₹)**	**Profit (₹)**
2022	6,00,000	60,000
2023	9,00,000	1,20,000

Calculate:

(a) Profit-volume (P/V) Ratio.

(b) Fixed cost.

(c) Break Even Point.

(d) If the company wants to have a profit of ₹22,500 what should be the level of sales?

(e) Profit when sales are ₹11,70,000.

OR

Q.2. Vijay Chemical Ltd has two factories with similar plants and machines. The Board of Directors of the company has expressed the desire to merge them and run them as one unit. The following data are available concerning these factories. **(15)** CO3

Particulars	Factory A	Factory B
Capacity in operation	60%	100%
Sales (₹)	12,00,000	30,00,000
Variable Cost (₹)	9,00,000	22,00,000
Fixed Cost (₹)	2,50,000	4,00,000

You are required to find out:-

1) What should be the capacity of the merged factory to be operated for breakeven?

2) What is the profitability of working 80% of the integrated capacity?

3) What are the sales required to earn a profit of ₹ 6,00,000?

Q.3. From the following information about sales calculate:- **(15)** CO4

a) Sales value variance b) Sales price variance c) Sales volume variance

d) Sales mixed variance e) Sales quantity variance

	Budgeted		**Actual**	
Product	**Units**	**Rate ₹**	**Units**	**Rates ₹**
X	2,500	10	4,800	11
Y	3,500	11	3,600	10
Z	4,000	12	3,600	13

OR

Q.3. In department 'A' of a plant the following data are submitted for the week ended 31st March, 2023. **(15)** CO4

Standard Output for 40 hours per week	1,400 units
Budgeted Fixed Overheads	₹ 1,400
Actual output	1200 units
Actual Hours worked	32 hours
Actual fixed Overheads	₹ 1,500

You are required to calculate Fixed Overhead Variances

<table>
<tr><td>Q.4.</td><td>Answer the following:</td><td>(15)</td><td></td></tr>
<tr><td>(a)</td><td>Explain the disadvantages of Uniform Costing.</td><td>(03)</td><td>CO5</td></tr>
<tr><td>(b)</td><td>Calculate Material Usage Variance from the following:
<table>
<tr><th></th><th colspan="2">Standard (10 Units)</th><th colspan="2">Actual (1,000 Units)</th></tr>
<tr><td>Material</td><td>Quantity
12 Kg.</td><td>Rate Per Kg.
₹ 5.00</td><td>Quantity
1,250 Kg.</td><td>Rate Per Kg.
₹ 4.50</td></tr>
</table></td><td>(03)</td><td>CO4</td></tr>
<tr><td>(c)</td><td>A Company manufactures two product P and Q.
The contribution per unit is ₹40 and ₹30 respectively.
Product P requires 10 hours per unit and Product Q 6 hours per unit.
If material requirement is the limiting factor and
Product P requires 16 kg per unit and Product Q requires 15 kg per unit.
Find the most profitable product?</td><td>(03)</td><td>CO3</td></tr>
<tr><td>(d)</td><td>
<table>
<tr><th>Particulars</th><th>Cost Per Unit ₹</th></tr>
<tr><td>Direct Material</td><td>8</td></tr>
<tr><td>Direct Wages</td><td>4</td></tr>
<tr><td>Variable Overheads</td><td>3</td></tr>
<tr><td>Selling Price</td><td>20</td></tr>
</table>
Total Fixed overheads ₹1,000
If sales 250 Units
Calculate Profit or Loss from the product.</td><td>(03)</td><td>CO2</td></tr>
<tr><td>€</td><td>Explain the various advantages of Interfirm Comparison.</td><td>(03)</td><td>CO5</td></tr>
</table>

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2024
Examination: End Semester Examination April 2024 (UG Programmes)

Programme code: 03 **Programme:** Bachelor of Accounting and Finance (Hons.)	**Class:** TYBAF (Hons.)	**Semester:** VI
Name of the Constituent College: S K Somaiya College	**Name of the Department** Accounting and Finance	
Course Code: 131U03C602	**Name of the Course: Advanced Costing Techniques**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions:
1) All questions are compulsory.
2) Each Questions carries 15 marks.
3) **Figures** to the **right** indicate **marks** assigned to the questions.
4) **Working notes** should form **part of your answer.**

Q.No.		**Max. Marks**	**Co Attainment**
Q.1	Smart byte Manufacturing Company Ltd has the following data:	**(15)**	CO5

Activities	Overhead (in ₹)	Cost Driver
Procurement Cost	30,000	No of order
Repairs and maintenance	90,000	Machine hours
Set up Cost	27,000	No. of production runs
Material Handling	18,000	No. of order executed

Output and relevant data are:

Product	Output Units	No. of Order	Machine Hours	Production runs	No. of Order Executed
A	1,000	40	15,000	3	200
B	1,500	60	10,000	5	400

Required to prepare statement of allocation of overhead under Activity Based Costing system.

OR

Q.1.	A. Discuss theory of constraints in detail.	**(08)**	CO1
	B. A manufacturing unit manufactures LED bulbs. Due to poor quality report the current rejection rate is 5% of units input. 20,000 units of input goes into the process each day. Each unit that is rejected result in Rs. 250 loss to the company. If changes are made in the inspection process, rejection rate will be reduced to 3% of units input. The improved inspection system would cost the company Rs. 35,000 each day. Analyse the proposal and suggest whether it's beneficial for the company to implement. Also analyse the maximum rejection rate beyond which the proposal will not be beneficial.	**(07)**	CO1

Q.2. ABC Co furnishes you the following income information: (15) CO2

	2022	
	First Half Year ₹	**Second Half Year** ₹
Total Cost	8,00,000	14,00,000
Profit Earned	2,00,000	6,00,000

From the above, you are asked to compute the following assumption that the fixed cost remains the same in both periods.

1) Profit Volume Ratio 2) Fixed Cost 3) Break-even Point
4) Amount of Profit or loss when sales are ₹ 45,00,000
5) Amount of Sales required to earn a profit of ₹ 7,50,000

OR

Q.2. Two plants are manufacturing the same products under one corporate management which has decided to merge them. The following particulars are available. (15) CO3

Particulars	Plant I (Rs.)	Plant II (Rs.)
Capacity Operation	100%	60%
Sales	6,00,000	2,40,000
Variable cost	4,40,000	1,80,000
Fixed Cost	80,000	50,000

Calculate:
i. Break-even point of merged plant.
ii. Capacity of merged plant to be operated at break-even point.
iii. profit earned if the merged plant is operated at capacity level of 80%

Q.3. The details are available from the records of Mangal Ltd. engaged in Manufacturing Article 'A' for the month ended 31-12-2024. The Standard data and Actual data are as follows: (15) CO4

	Standard (10 Units)		**Actual (1,000 Units)**	
Material	Quantity 12 Kg.	Rate Per Kg. ₹ 5.00	Quantity 1,250 Kg.	Rate Per Kg. ₹ 4.50
Labour	Hours 9	Rate Per Kg. ₹7.50	Hours 875	Rate Per Hr. ₹10.00

Calculate:
(a) Material Cost Variance
(b) Material Price Variance
(c) Material Usage Variance
(d) Labour Rate Variance
(e) Labour Efficiency Variance
(f) Labour Cost Variance

OR

Q.3. Deep Construction Limited gives you the following information: (15) CO4

	Standard		Actual	
	Quantity (Tonnes)	Rate per Tonnes (₹)	Quantity (Tonnes)	Rate per Tonnes (₹)
Material:				
A	1,500	500	1,700	550
B	1,200	400	1,150	350
C	500	2,000	600	1,950
Labour:	Hours	Hourly Rate	Hours	Hourly Rate
L_1	30,000	15	28,000	18
L_2	20,000	30	19,000	35

<table>
<tr><td></td><td>Calculate the following Variances:
(a) Material Cost Variance
(b) Material Price Variance
(c) Material Usage Variance
(d) Labour Cost Variance
(e) Labour Rate Variance
(f) Labour Efficiency Variance</td><td></td><td></td></tr>
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<tr><td>Q.4.</td><td>Answer the following:</td><td>(15)</td><td></td></tr>
<tr><td>(a)</td><td>Explain the concept of Uniform Costing.</td><td>(03)</td><td>CO5</td></tr>
<tr><td>(b)</td><td>Fixed Cost ₹6000
Profit ₹1500
Break Even Point ₹30,000
Calculate Sales and Variable Cost.</td><td>(03)</td><td>CO2</td></tr>
<tr><td>(c)</td><td>Calculate Labour Efficiency Variance from the following:
<table>
<tr><th></th><th>Standard</th><th>Actual</th></tr>
<tr><td>Hours</td><td>15 hours</td><td>18 hours</td></tr>
<tr><td>Rate</td><td>₹6.5</td><td>₹5.5</td></tr>
</table></td><td>(03)</td><td>CO4</td></tr>
<tr><td>(d)</td><td>A Company manufactures two products AXE and YEE.
The contribution per unit is ₹ 60 and ₹ 45 respectively.
Product AXE requires 10 hours per unit and Product YEE 6 hours per unit.
If time is the limiting factor.
Find the most profitable product.</td><td>(03)</td><td>CO3</td></tr>
<tr><td>(e)</td><td>List six C's of Total Quality Management.</td><td>(03)</td><td>CO1</td></tr>
</table>

BAF-VI
SAPM

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (Nov 2023 – March 2024)
Examination: End Semester Examination March 24 (UG Programmes)

Programme code: 03
Programme: Accounting & Finance
Class: TYBAF(Hons)
Semester: VI

Name of the Constituent College:
S K Somaiya College
Name of the Department: Accounting & Finance

Course Code: 131U03C401
Name of the Course: Security Analysis and Portfolio Management

Duration : 2 Hrs.
Maximum Marks : 60

Instructions: 1) Use of Simple Calculator is allowed

Q. No.		Max. Mark	CO
Q.1	Attempt the following:	(15)	
	A) Explain the term Portfolio Management? Explain the role of Portfolio Manager in investment decision. **(8 Marks)**		01
	B) Explain the factors conductive for investment in India. **(7 Marks)**		01
	OR		
	C) From the following information calculate measure of systematic risk and expected return using measure of systematic risk (Beta) **(8 Marks)**		02

Year	*Kapil Ltd (%)*	*Marke (%)*
1	20	14
2	22	16
3	20	18
4	18	12

If market is expected to rise by 10% and shares of Kapil Ltd are currently traded at Rs. 350. What will be the expected price.

D) Mr. Alok provides you following details regarding his investment in shares of different companies: **(7 Marks)** — CO 02

Name of the Company	*No of shares*	*Purchase Price per share*	*Sale Price per share*	*Total Dividend*
Mahindra Ltd	1,000	50	80	3,000
Balaji Ltd	800	100	150	5,000
Rolta Ltd	1,500	20	30	4,000

Brokerage paid on purchases is Rs. 5,000 and on sales is Rs. 10,000. Period of holding is 5 years. Find out Holding period returns and Annualized Returns of Mr. Alok.

Q.2 (15) 03

A) Mr. Prabhas has the following portfolio of 4 shares: **(8 Marks)**

Company	Beta	Investment (Rs.)
Dev Ltd	0.45	80,000
Danav Ltd	0.35	1,50,000
Yaksh Ltd	1.15	2,25,000
Manav Ltd	1.85	4,50,000

The risk-free rate of return is 7% and market rate of return is 14%. You are required to determine the portfolio return and Beta of portfolio.

03

B) Closing Values of DLF Ltd from 10th August 2023 to 21st August 2023 were as follows: **(7 Marks)**

Date	*Day*	*Closing Price*
10th August	Sunday	No Trading Day
11th August	Monday	8,850.50
12th August	Tuesday	8,990.00
13th August	Wednesday	9110.75
14th August	Thursday	9200.00
15th August	Friday	No Trading Day
16th August	Saturday	No Trading Day
17th August	Sunday	No Trading Day
18th August	Monday	9,340.60
19th August	Tuesday	9550.70
20th August	Wednesday	9610.00
21th August	Thursday	9800.00

Calculate Exponential Moving Average (EMA) of DLF Ltd during the above period. The 30 days simple moving average of DLF can be assumed as 9010. Give detailed analysis on the basis of your calculations.

OR

A) Explain different types of Charts with the help of suitable diagrams and show support line & resistance line. **(8 Marks)** 03

B) Explain Arbitrage Pricing Theory and its features. **(7 Marks)** 03

Q.3 04

A) Portfolio of Orient Ltd is as follows: **(8 Marks)**

Company	*Amount invested*	*Returns*	*Beta*
A Ltd	30,000	12%	0.80
B Ltd	30,000	15%	1.00
C Ltd	40,000	18%	1.20
	1,00,000		

If market return is 20% and risk free rate of return is 11%. Calculated weighted average return and Beta of Portfolio. Do the ranking of security using CAPM and state your strategy to hold, buy or sell the shares.

B) Following details are provided for mutual fund. Calculate Sharpe's ratio and Treynor's ratio. **(7 Marks)** **04**

Mutual Fund	*Average Return*	*Standard Deviation*	*Beta*
A	12%	18%	1.1
B	10%	15%	0.9
C	13%	20%	1.2
Market Index	11%	17%	1.0

The mean risk-free rate of return is 6%. Do the ranking and suggest the best mutual fund for the purpose of investment.

OR

C) Define Portfolio and explain principles of Portfolio Construction. **(8 Marks)** **04**

D) Explain the advantages of portfolio Construction. **(7 Marks)** **04**

Q.4 Attempt the following: **(3 X 5 Marks)** (15)

a) A Government of India Bond of Rs. 1,000 each has a coupon rate of 7% p.a. the maturity period is 10 years. Purchase price is 1,040. Find YTM. **02**

b) A Ltd paid a dividend of Rs. 3 per share in the last year. The dividend is expected to grow at a constant rate of 5% in the future. If the required rate of return is 10%. What would be the intrinsic value of the share? **04**

c) The company produced 1,000 units. Its selling price is Rs. 10 and Variable cost is 30%. Fixed expenses excluding interest are 2,000. Company paid interest of Rs. 1,000 during the year and paid tax @ 30%. Find out Operating leverage, financial leverage and combine leverage. **03**

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (Nov 2023 – March 2024)
Examination: End Semester Examination April 24 (UG Programmes)

Programme code: 03 Programme: Accounting & Finance	**Class:** TYBAF(Hons)	**Semester:** VI
Name of the Constituent College: S K Somaiya College	**Name of the Department:** Accounting & Finance	
Course Code: 131U03V602	**Name of the Course:** Security Analysis and Portfolio Management	
Duration : 2 Hrs.		**Maximum Marks :** 60
Instructions: 1) Use of Simple Calculator is allowed		

Q. No. | **Max. Mark** | **CO**

Q.1 — Max. Mark **(15)**

A) Explain the Term Investment, Speculation and Gambling and state the differences between them. **(8 Marks)** — CO **01**

B) Explain the meaning of Portfolio Management. State the importance of Portfolio Management. **(7 Marks)** — CO **01**

OR

C) Mr. Om, a fund manager, produced the following returns for the last 5 years. Rates of return are also given for comparison. — CO **02**

	2018	**2019**	**2020**	**2021**	**2022**
Mr. Om	8%	40%	(-) 12%	7%	15%
Sensex	15%	32%	(-)5%	18%	5%

Calculate the average return and standard deviation of Mr. Om's Mutual Fund. Did he do better or worse than sensed by these measures?

D) Following are the details of investments in shares by Mr. Adil as on 1.4.22 — CO **02**

Company	No of Shares	Purchase Price	Sales Price	Bonus Issue	Dividend Per Share p.a.
Titan Ltd	100	150	350	--	Rs. 3
Nestle Ltd	150	200	280	--	Rs. 4.50
Larsen Ltd	200	80	100	2:1	Rs. 1.50

He sold all his holdings on 31.03.2024. Brokerage paid on purchase is 1% and on Sales is 2%. The rate of dividend remain unchanged during the holding period.

Find out Holding period returns and Annualized Returns of Mr. Adil.

Q.2 — Max. Mark **(15)**

A) What are the various technical indications used in technical analysis? **(8 Marks)** — CO **03**

B) Explain the term Efficient Market Hypothesis? What are the various forms of Efficient Market Hypothesis. **(7 Marks)** 03

OR

C) Returns of Dev Ltd were 11%, 13%, 12% and 10% in the past four years. Returns of Anand Ltd were 12%, 14%, 9% and 10% in the last four years. While average market returns were 12%, 14%, 14% and 13% in the last four years. Return on Government Securities are 8%. Calculate beta and expected return of Dev Ltd and Anand Ltd. Apply Capital Asset Pricing Model Method. **(8 Marks)** 03

D) Closing values of the shares of Pidilite ltd from 1st August to 14th august are given below : **(7 Marks)** 03

Date	Day	Closing Price	Date	Day	Closing Price
01/08/23	Monday	801.50	08/08/23	Monday	818.00
02/08/23	Tuesday	820.00	09/08/23	Tuesday	810.50
03/08/23	Wednesday	811.80	10/08/23	Wednesday	830.00
04/08/23	Thursday	810.00	11/08/23	Thursday	835.50
05/08/23	Friday	825.00	12/08/23	Friday	838.00
06/08/23	Saturday	No Trading	13/08/23	Saturday	No Trading
07/08/23	Sunday	No Trading	14/08/23	Sunday	No Trading

Calculate Exponential Moving Average (EMA) of Nifty during the above period. The 30 days simple moving average of Pidilite may be assumed as 810. Give detailed analysis on the basis of your calculations.

Q.3 A) Explain the term systematic and unsystematic risk? Explain different types of related risk. **(8 Marks)** (15) 04

B) Explain Markowitz Model with diagram. **(7 Marks)** 04

OR

C) Following are the details of three portfolio: **(8 Marks)** 04

Portfolio	**Average Return**	**Standard Deviation**	**Beta**
X	13%	0.25	1.25
Y	12%	0.25	0.75
Z	11%	0.20	1.00
Market Index	11%	0.25	1.10

The risk-free rate is 8%. You are required to compare thse portfolio on performance using Sharp'se and Treynor's measures and do the ranking accordingly.

D) Mr. Akshit provides you following information of his portfolio: **(7 Marks)** 04

Security	*Amount Invested*	*Returns*	*Standard Deviation*
Shares of TCS	1,40,000	18%	11%
Shares of ECS	60,000	14%	10%
	2,00,000		

Advise him about the portfolio risk and return.

Q.4 **Attempt the following: (3 X 5 Marks)** **(15)**

a) The company sold 1,00,000 units @ Rs. 10 each during the year. Variable expenses are 40% and tax rate is 30%. 8% Debenture Capital of the company is 5,00,000 and fixed cost is 2,00,000. **02**

Find out Operating Leverage, Financial Leverage and Combine Leverage.

b) Meghna Ltd paid a dividend of Rs. 1.80 per share. The forecast is that dividends will grow 8% per annum into the infinite future. If the required rate of return is 10% and the current market price of the company stock is 60. Find out the intrinsic value of the company's share. Is it worth investing in the company. **04**

c) Mr. Tanmay is considering investment in one of the following bonds: **03**

Bond	*Coupon Rate*	*Maturity*	*Price/100 par value*
Bond A	11%	10 years	Rs. 75
Bond B	12%	7 year	Rs. 68

Recommend which bond should be purchased.

BAF/BAF(H)- VI

Ind. Taxe

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2023 to March 2024)
Examination: End Semester Examination March/April 2024 (UG Programmes)

Programme code: 03 **Programme: BAF / BAF HONOURS**	**Class:** TYBAF	**Semester:** VI
Name of the Constituent College: **S K SOMAIYA COLLEGE**	**Name of the Department** : Accounting and Finance	
Course Code: 131U03C603	**Name of the Course: INDIRECT TAXATION**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary

<table>
<tr><th>Question No.</th><th></th><th>Max. Marks</th><th>Co Attainment</th></tr>
<tr><td>Q.1. A</td><td>Following details are available for Neon Traders for December 2022-
a) Opening balance in the electronic credit ledger Rs 15,500 in IGST and Rs 23,000 in CGST and Rs 25600 in SGST.
b) Local inputs purchased during the month :
Purchase from Mini Ltd Rs 1,26,000 (GST 12%)
Purchase from PQR Ltd Rs 1,12,200 (GST 10%)
c) Interstate purchases Rs 1,75,400 [12% GST]
d) Outward supplies during the month within state – Rs 3,10,000 [10% GST]
e) Outward supplies during the month outside state – Rs 3,40,000 [15% GST]
Determine the input tax credit available and the Net Tax payable for the month of December 2022 assuming:
i) all figures are inclusive of GST ii) all figures are exclusive of GST

OR</td><td>(15)</td><td>01</td></tr>
<tr><td>Q.1. B.</td><td>Discuss whether GST credit is available in this cases with justification:
a) PQR Ltd purchased a motor car for Rs 10 lakhs and paid 18% GST on the said price. Car shall be used for attending the board meetings exclusively by directors only.
b) A manufacturing firm purchased raw material worth Rs 1,00,000 for processing it into finished goods of value Rs. 3,00,000 .
c) Rakesh purchased new insurance policy for his car and paid premium Rs 23,000 plus 10% GST. The said car is used for providing tourist services to the foreigners arriving at his hotel.</td><td>(15)</td><td>01</td></tr>
<tr><td>Q.2. A,</td><td>Short note : Anti-dumping duty</td><td>(08)</td><td>02</td></tr>
<tr><td>Q.2. B.</td><td>Explain the provisions of import procedure in detail .

OR</td><td>(07)</td><td>03</td></tr>
<tr><td>Q.2.C.</td><td>Compute the assessable value in each case for customs purpose from following information :-
<table>
<tr><td>Particulars</td><td>Case 1</td><td>Case 2</td><td>Case 3</td></tr>
<tr><td>Price payable to the seller</td><td>10000</td><td>20000</td><td>30000</td></tr>
<tr><td>Cost of packing materials</td><td>1000</td><td>Nil</td><td>500</td></tr>
<tr><td>Labor charges for packing</td><td>200</td><td>Nil</td><td>300</td></tr>
</table></td><td>(15)</td><td>03</td></tr>
</table>

Price of material supplied free of cost by buyer to seller	1000	500	2000
Cost of transport	1000	Unascertained	500
Insurance	Unascertained	Unascertained	500
Local transport in India	500	400	600
Mode of transport	Sea	Sea	Air

Q.3. A	What is exporters registration cum membership certificate and its relevance?	(05)	04
Q.3. B.	Determine the dutiable baggage and duty payable by Mr. Ram who came back to India after a gap of 23months when he was employed in Dubai for a multinational company – a) personal effects to the tune of RS 3,00,000 (this includes watches of Rs 120000) b) 2 laptops each worth Rs. 1,20,000 each c) 3 liters wine worth Rs. 30,000 d) A writing pen of Lexis brand worth Rs 1,00,000 which is claimed as personal effect by him. e) He also bought his professional equipment's worth Rs. 2,00,000. f) He also brought 20 cartridges along with a firearm for his personal safety. **OR**	(10)	03
Q.3.B.	Indicate any 5 benefits to status holders under the reward scheme of foreign trade policy 2015-20.	(5)	04
Q.3.C .	Explain the scheme for remission of duties and taxes on exported products.	(10)	04
Q.4.	Answer the following : (5 X 3marks each) a) Mr. Rakesh from United Kingdom wants to gift his son India a Rolex watch worth Rs. 1,22,000 . He is planning to send the same by an air parcel after paying necessary postage charges. Explain his son the process to be followed for getting the watch in India. Is any duty payable on such gifts received if any? b) What is belated filing of bill of entry? What is the penalty / fine for delay in filing bill of entry? c) Explain the concept of warehousing without warehousing. d) Mention any 3 items under annexure II of the baggage rules and regulations. e) Explain pilferage and duty liability in case of pilferage.	(15)	01,02,03,04

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Semester November 2023 to March 2024) **Examination: End Semester Examination March/April 2024 (UG Programmes)**		
Programme code: 03 **Programme: Accounting and Finance(BAF)**	**Class:** TYBAF	**Semester:** VI
Name of the Constituent College: **S K SOMAIYA COLLEGE**	**Name of the Department** : Accounting & Finance	
Course Code: 131U03C603	**Name of the Course: Indirect Taxation**	
Duration : 2 Hrs.	**Maximum Marks : 60**	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3)		

Question No.		**Max. Marks**	**Co Attainment**
1. A	Mohan Ltd provides the following details for December 2023: Balance of electronic credit ledger as on 1-12-2023 is : Rs 32,100 in IGST and Rs 76,000 in CGST and Rs 43700 in SGST. During the month following inputs were received : Within State Raw Materials Rs 1,44,000 (GST 12%) Within state Stores and consumables Rs 34,200 (GST 10%) Interstate purchases Material Rs 1,75,400 [12% GST] Stores Rs 22,000 (10% GST) Outward supplies during the month Intra state state – Rs 3,10,000 [10% GST] Inter state – Rs 3,40,000 [15% GST] Determine the input tax credit available and the Net Tax payable for the month of December 2023 assuming: i) all figures are inclusive of GST ii) all figures are exclusive of GST	(15)	01
	OR		
Q.1.B.	Explain the procedure for clearance of goods for home consumption.	(08)	02
Q.1.C.	Discuss the concept of electronic cash ledger and electronic credit ledger.	(07)	01
Q.2. A.	XYZ Industries Ltd., has imported by air certain equipment from Japan at an FOB cost of 4,00,000 Yen (Japanese). The other expenses incurred by M/s. XYZ Industries in this connection are as follows: a) Air freight from Japan to Indian Port 40,000 Yen b) Insurance paid to Insurer 2,000 yen c) Designing charges paid to Consultancy firm in Japan 60,000 Yen d) M/s. XYZ Industries had expended ₹ 2,00,000 in India for certain development activities with respect to the imported equipment. e) XYZ Industries had incurred road transport cost from Mumbai port to their factory in MP ₹ 1,30,000 f) The CBIC had notified exchange rate of 1 Yen = ₹ 0.69. The interbank rate was 1 Yen = ₹ 0.70	(15)	03

	g) M/s XYZ Industries had affected payment to the Bank based on exchange rate 1 Yen = ₹ 0.71 h) The buying commission payable to the agent in India was 5% of FOB cost of the equipment in Indian Rupees. Compute assessable value keeping in mind the customs provisions and determine the custom duty payable on the same. Will your answer differ if the information regarding freight and insurance is not available. Please show the calculations in both the cases.		
Q.2.B.	**OR** Discuss duty drawback on used goods under section 74 and duty drawback on exports section 75.	(10)	04
Q.2.C.	What is safeguard duty ? under what circumstances can the safeguard duty be levied by the authority?	(05)	02
Q.3. A.	Short note : Star export status holders and its benefits to exporter.	(8)	04
Q..3.B.	Short note : Import export code and its importance. **OR**	(7)	03
Q.3. C.	Mr. Roy came back to India after a 6months trip to U.S. Mr. Roy with him the following items : a) 2-liter wine Rs 30,000 b) Travel souvenir Rs 1,70,000 c) Firearms along with 30 cartridges d) 80 cigarette sticks at Rs 200 each e) Personal effects of Rs 25,000 Determine the duty liability of Mr. Roy along with suitable explanation regarding what things are dutiable and what is not?	(8)	03
Q.3. D.	Mr. Shah an Indian businessman left India on 1st April 2023 to explore new business opportunity in Europe . His wife joined him on 1st December 2023 for a leisure trip. They returned to India on 1st April 2024 and brought back following items: a) Music system worth Rs 1,00,000 b) Jewelry of 19grams valued at Rs. 56,000 and Gold chain for wife of Rs 120000 (24grams) c) There were goods in the nature of personal effect to the tune of Rs 100000 by Mr. shah and Rs300000 by Mrs. Shah. Determine the dutiable baggage and the duty payable by each of them.	(7)	03
Q.4. A	Answer the following questions : a) Mr. Dhoni is importing a machinery to India from China on 18th January 2024. The ship shall enter Indian territorial waters on 22nd January 2024. When can he file the bill of entry for the said import? b) Mr. Raina is planning to bring a new Iphone 15 to india for gifting it to his mother on the occasion of her birthday. Explain the baggage provisions and what preacuation he should tak while bringing the phone to India. c) A machinery is imported into India and re exported outside india within next 30 days. How much duty drawback can be claimed by the importer of the machinery? d) How to generate e challan ?Discuss the validity of the e-challan?	(15)	01,02 03,04
	e) Discuss the apex authority under Foreign Trade policy and its power.		

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Semester (November 2023 to March 2024)
Examination: End Semester Examination March/April 2024 (UG Programmes)

Programme code: 02 **Programme: BAF**	**Class:** TY	**Semester:** VI
Name of the Constituent College: S. K. Somaiya College	**Name of the Department : Accounting & Finance**	
Course Code: 131U02V604	**Name of the Course: Financial Analysis and Business Valuation**	
Duration : 2 Hrs.	**Maximum Marks : 60**	
Instructions: 1) Use of simple calculator is allowed		

Quest. No.		Max. Marks	CO Attainment
Q.1 A	Following is Income Statement of M/s XYZ Ltd. You are required to present trend analysis and also analyse growth of its business.	15	CO 4

Particulars	2019-20	2020-21	2021-22
Sale	20,00,000	20,00,000	20,00,000
Less : Cost of Goods Sold			
Opening Stock	2,00,000	1,50,000	2,00,000
Purchases	4,50,000	4,50,000	4,00,000
Wages	2,50,000	1,95,000	2,50,000
(-) Closing Stock	1,50,000	1,00,000	1,00,000
Net COGS	7,50,000	6,95,000	7,50,000
Gross Profit	12,50,000	13,05,000	12,50,000
Less : Operating Expenses			
Administrative Expenses	2,50,000	2,02,000	2,04,040
Selling Expenses	1,00,000	1,20,800	1,21,840
Finance Cost	55,000	70,000	55,000
Total Operating Expenses	4,05,000	3,92,800	3.80,880
Net Profit	8,45,000	9,12,200	8,69,120

OR

Q1 B	Describe different approaches of Business Valuation	8	CO1
Q1 C	Distinguish between Price & Value	7	CO1
Q.2A	Mr. Shrikant Managing Director of Z Ltd provides the following details.	15	CO3

Details	X Ltd.	Industry
Current Ratio	2.5	2.15
Liquid Ratio	1.75	1.5
Debtors Turnover Ratio	4	8.0
Inventory Turnover Ratio	4	10.5
Net Profit Margin	5.5%	9%
Sales / Total Assets	1	2.5

You are requested to analyse and provide your report along with suggestions to improve performance of the company.

OR

Q2B Following is Balance Sheet of Sun Shine Ltd. as on 31 Mar 2020 **15** **CO 2**

Liabilities	**₹**	**Assets**	**₹**
Equity Shares of 100each	5,00,000	Goodwill	1,25,000
General Reserve	1,50,000	Land building	1,44,000
Workmen Compensation Fund	25,000	BadDebts 3,60,000 Less: RDD 30,000	3,30,000
Current Liabilities	1,45,000	Investment (for replacement of plant	1,00,000
Profit & Loss A/c	1,50,000	Plant & Machinery	2,00,000
Sundry Creditors	2,30,000	Stock	2,00,000
		Cash	75,000
		Preliminary Exp	26,000
	12,00,000		**12,00,000**

1. Profit before tax of last 3 years were 3,30,000/-, 2,93,000/- & 2,50,000/-
2. Tax rate is 50%.
3. Zed Ltd is going to acquire business of Sun Shine Ltd. for this goodwill need to be valued by capitalization of Future maintainable profit. For this purpose, following points are provided.
4. Zed Ltd will continue business with it's own director without any addition. Director remuneration paid to Sunshine Ltd. was ₹ 9,000/- per annum.
5. Zed Ltd decided to acquire new office for operations for this extra rent payable is ₹ 12,000/-.
6. Land & Building is to be taken over ₹ 2,75,000 and Plant & Machinery for ₹ 2,05,000. RDD is sufficient.
7. Liability for workmen compensation fund was only ₹ 5,000/-.
8. NRR is to be taken @ 12%.

Q.3 A Following details are available for Hiranya Ltd. **15** **CO 3**

Particulars	**2022**	**2023**
Sales	30,00,000	39,60,000
Cost of Goods Sold	20,00,000	28,80,000
Quantity	100	120% of earlier year

You are required to account for changes in profit and also comment on the same.

OR

Q3 B Balance sheet of Shri Ram Company Ltd as on 31st March 2020. **15** **CO2**

Liabilities	**₹**	**Assets**	**₹**
2000 Equity Shares	2,00,000	Land and Building	1,00,000
General Reserve	50,000	Plant and Machinery	1,10,000
Profit and Loss Account	42,000	Patent and Trademark	50,000
Creditors	1,08,000	Stock	48,000
Income Tax Provision	60,000	Debtors	88,000
		Bank	52,000
		Preliminary Expenses	12,000
	4,60,000		**4,60,000**

Companies assets are valued as under

1. Land and building 2,16,000, goodwill 1,60,000, plant and machinery 1,10,500. Debtors of ₹8000 are bad.
2. Profit for past 3 years was ₹80,000, ₹90,000 and ₹1,06,000.
3. company transfer 25% of profit to general reserve every year.
4. Similar company earn10%.

You are required to calculate fair value of the shares.

Q.4 **Conceptual Questions (5 marks each)** **15**

a. M/s X Ltd. has net assets ₹ 75,00,000/- and also has issued 2,00,000 shares. The book value of the shares is to be taken at ₹ 10 and market price of the share ₹ 180 per share. Company reported Net Profit after Tax ₹ 30,00,000 in current year. You are required to calculate the following. **CO 4**

1. EPS
2. PE Ratio
3. PB Ratio

b. From the following details provided by M/s XY Ltd. You are required to calculate sustainable earnings. **CO 4**

Net Profit Before Tax - ₹ 5,00,000/-.

Administration Expenses not to be incurred in future - ₹ 95,000/-.

Assets were devalued by ₹ 50,000/-.

Managerial Remuneration will increase by : ₹ 40,000.

c. Following information is extracted from records of BRICS Ltd. **CO 3**

Particular	**2021**	**2022**
Sales Price per unit	50	60
Quantity of Sales	30,000 units	42,000 units

Account for changes in sales

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2023 to March 2024)
Examination: End Semester Examination April 2024 (UG Programmes)

Programme code: 02. **Programme: BAF**	**Class:** TY	**Semester:** VI
Name of the Constituent College: S.K. SOMAIYA	**Name of the Department: -** **Accounting & Finance**	
Course Code: 131U02C601	**Name of the Course: Advanced Accounting**	
Duration: 2 Hrs.	**Maximum Marks: 60**	

Instructions: 1) All questions are compulsory. 2) Figures to the right indicate full marks.
3) Use of simple calculator is allowed.

Q. No.		Max. Marks	CO
Q.1.	From the following trial balance and additional information Prepare a Balance Sheet of SBI Bank Ltd. As on 31st March 2024	15	01

DEBIT	₹ in Lakhs	CREDIT	₹ in lakhs
Cash credits	1218.15	Share Capital [29,70,000 shares of ₹10 each]	297
Cash in hand	240.23		
Cash with RBI	67.82	Statutory Reserve	346.50
Cash with other Banks	132.81	Net Profit for the year [before appropriation]	225
Money at call & short notice	315.18	Profit & Loss a/c opening balance	618
Gold	82.84	Fixed deposit accounts	775.50
Government Securities	365.25	Saving deposit accounts	675
Current Accounts	42	Current accounts	780.18
Premises	133.55	Bills payable	0.15
Furniture	95.18	Borrowings from other Banks	165
Term Loan	1189.32		
	3882.33		**3882.33**

Additional Information's: -

1. Bills for collection: - ₹ 18,10,000.
2. Acceptance & Endorsements: - ₹ 14,12,000.
3. Claims against the bank not acknowledged as debts: - ₹ 55,000.
4. Depreciation charged on premises ₹ 1,10,000 & Furniture ₹ 78,000.

OR

Q.1.	From the following information prepare Profit & Loss a/c of Union Bank Ltd. As on 31-3-24	15	01

PARTICULARS	₹
Interest & Discount received	38,00,160
Interest paid on deposits	22,95,360
Issued & Subscribed capital	10,00,000
Salaries & Allowances	2,50,000
Directors Fees	35,000

Rent & Taxes paid	1,00,000
Postage & Telegrams	65,340
Statutory Reserve fund	8,00,000
Commission, exchange & brokerage	1,90,000
Rent received	72,000
Profit on sale of investment	2,25,800
Depreciation on assets	40,000
Statutory expenses	38,000
Preliminary expenses	30,000
Auditors' fees	12,000

Additional Information: -

1. A customer to whom a sum of ₹ 10 lakhs was advanced has become insolvent & it is expected only 55% can be recovered from his estate.
2. There was also other debt for which a provision of ₹ 2,00,000 was found necessary.
3. Rebate on bills discounted on 31st Mar. 2023 was ₹ 15,000 & on 31st March 2024 was ₹ 20,000.
4. Income tax of ₹ 2,00,000 is to be provided.
5. Write-off preliminary expenses.
6. The directors desire to declare 5% dividend.

Q.2 From the following information taken from the books of Bharat Insurance Company Prepare final account for the year ended 31st March 2024: - 15 02

PARTICULARS	₹ in Lakhs	PARTICULARS	₹ in Lakhs
Profit & Loss a/c [Cr.]	1.50	Creditors	0.44
Re insurance premium	2.24	Commission on Direct Business	6.00
Claims recovered from reinsurance	0.50	Commission on reinsurance accepted	1.20
Commission on reinsurance ceded	0.96	Outstanding premium	0.44
Advance Tax paid	5.00	Claims intimated but not paid [1/4/23]	1.20
Fire Fund as on 1/4/2023	18.6	Expenses of management	8.6
General Reserve	9.00	Audit fees	0.72
Investments	72.00	Rent paid	0.48
Premiums	54.00	Income from Investment	3.06
Claims Paid	12.00	Share Capital	18.00
Cash	5.64		

Adjustments: -

a. Income Tax to be provided at 30 %.
b. Claims intimated but not paid on 31/3/24 ₹2,00,000.
c. Expenses of management include legal expenses of ₹ 72,000 relating to claims.
d. Transfer ₹ 4,00,000 to General Reserve.

OR

Q.2. 15 05

From the following Trial Balance as on 31st March 24
Prepare Final accounts in the prescribed format as per applicable legal provisions

MOKSH CHS LTD. TRIAL BALANCE

PARTICULARS	₹	PARTICULARS	₹
Property tax	5,89,710	Subscribed Capital 350 shares of ₹ 50 each	17,500
Repairs & Maintenance	1,40,616	Surplus for last year	6,19,986
Salaries	6,75,783	collection from members for property expenses	16,99,152
Security	1,31,952	Collection from members for service charges	11,57,017
Tata Power Deposit	14,200	Interest saving bank	1,212
Water charges	1,30,485	Tower rent	1,96,642
Water Pump	12,390	Statutory reserve opening	1,35,515
Accrued Interest on FD – Sinking Fund	70,299	Entrance fees	200
Staff Advance	26,081	Transfer fees	500
Audit fees	17,524	Sinking fund opening	67,12,745
BMC deposit for water	6,625	Collection for sinking fund	5,71,596
Cash in Bank	2,36,071	Interest on sinking fund investments	7,61,946
cash in hand	14,984		
Electricity charges	3,41,324		
dues from members	60,236		
Equipments	3,90,256		
Fixed deposit	61,37,752		
fixed deposit sinking fund	26,90,000		
Furniture	11,718		
Housekeeping	1,48,310		
Insurance charges	27,695		
	1,18,74,011		**1,18,74,011**

Adjustments: -

a. Provide depreciation on Furniture ₹ 1.172, Equipments ₹71,996. water pumps ₹1,858.
b. Prepaid insurance ₹13,660.
c. Prepaid maintenance expenses ₹ 15,571.
d. Outstanding property taxes ₹ 5,97,603.
e. Advance from the members for service charges ₹ 30,181.
f. Tower rent received in advance ₹ 44,065.

Q.3. 15 04

BALANCE SHEET OF DEEP LTD.

LIABILITIES	₹	ASSETS	₹
60,000 Equity shares of ₹10 each	6,00,000	Goodwill	1,00,000
1000, 12% Preference shares	1,00,000	Building	6,60,000
General reserve	4,00,000	Machinery	3,60,000
12 % Debentures	4,00,000	Debtors	6,00,000
Bank Loan	1,00,000	Cash	2,40,000
Creditors	2,40,000	Bills Receivables	80,000

Bills Payable	2,60,000	Preliminary Expenses	60,000
	21,00,000		**21,00,000**

a. Profits for previous years before tax: -
2019 - ₹ 3,60,000, 2020 - ₹ 5,20,000, 2021 - ₹ 1,40,000, 2022 - ₹ 8,20,000.
b. In the year 2021 loss of ₹ 80,000 was recorded due to fire.
c. In the year 2022 profit of ₹ 1,60,000 was earned from the non-trading activity.
d. In future expenses of ₹ 20,000 to be incurred for rent.
e. Building & Machinery were revalued at ₹ 8,20,000 & ₹ 4,60,000.
f. Debtors include bad debts of ₹ 40,000.
g. Transfer to general reserve was provided at 10%.
h. Normal Rate of Return is 12% & Tax rate is 40%.

Find out the value of Equity shares by: -
Intrinsic value method, Yield method & Fair value method.
For valuation of shares consider Goodwill as 5 years purchase of super profit.

OR

Q.3. 10 03

A. As on 1st April 2017 Prapti Ltd. as NBFC – ND – SI, entered a Hire Purchase transaction for sale of some Motor Cars, the total Cash Price of Motor Cars amounted to ₹ 700 Lakhs & the Hire Purchase price was ₹ 800 lakhs. The down payment was ₹ 100 lakhs was received on the date of sale and the balance was to be received in 5 equal instalments. The first & second instalment were duly collected on 31st March 2018 & 2019. However, the hire purchaser failed to pay the instalment on 31st Mar.20 The company was finalizing its accounts on 15th Aug. 2020 & wants your advice & calculations on the followings: -

a. Calculate basic provision.
b. Calculate the Net Book Value of Assets as on 31st March 2020 as per the prudential norms applicable. Assume the depreciation @ 20 % p.a. & that the rate of interest applicable is 5.40 %.
c. Calculate the additional provision if required to be made as per the prudential norms applicable.

B. PP Finance Ltd., a non-banking financial company, gives the following details from its Balance Sheet for the year ended 31st March 2024. You are required to calculate the Net Owned Funds as per the RBI requirements for NBFCs 05 03

PARTICULARS	₹ [In Lakhs]
Paid up Equity Capital	900
Paid up convertible preference capital	600
Non-convertible preference share capital	750
General Reserve	1050
Profit & Loss A/c [Dr. Bal.]	225
Revaluation Reserve	200
Capital Reserve [realizing cash]	100
Deferred Revenue Expenses	75
Patents	180
Cash & Bank balance	250
Investments in shares of subsidiaries & group companies	200
Investments in Debentures of a same group company	300

Q.4. Answer the followings: - [5 MARKS EACH] 15

A. The following information is available in the books of HDFC Bank Ltd.as on 31st MARCH 2024 01

Bills Discounted ₹ 20,00,000.
Rebate on Bills Discounted as on [1-4-23] ₹ 1,25,000.
Discount received ₹ 5,25,000.

Value of bill ₹	**Due Date**	**Rate of Discount**
5,00,000	10-06-2024	8%
7,00,000	18-07-2024	10%
8,00,000	20-08-2024	12%

Calculate the amount of rebate & pass necessary Journal Entries.

B. OM Ltd. is an NBFC providing Hire Purchase Solutions for acquiring consumer durables. The following information is extracted from its books for the yearended 31st March 2024: 03

ASSET FUNDED	Interest overdue but recognized		Net Book Value outstanding
	Period Overdue	Interest [₹ in Lakhs]	[₹ in Lakhs]
T.V.	Up to 12 months	1500	52000
Laptop	22 months	1205	7,850
Washing Machines	38 months	1020	3,250
Refrigerators	41 months	83.50	2,450
Air Conditioners	55 months	73.85	205

You are required to calculate amount of provision to be made.

C. From the following information prepare schedule of Fixed Assets as on 31st March 2024, related to final account of general insurance company. 02

Assets	**Cost**	**WDV**
	₹	**[as on 1st April 2023]**
Patents	3,50,000	3,50,000
Office Building	5,00,000	4,00,000
Furniture	80,000	60,000
Motor Car	1,50,000	1,25,000
Machinery	7,50,000	6,00,000

Provide depreciation by reducing balance method.

ASSETS	**RATE**
BUILDING	10%
MACHINERY	20%
MOTOR CARS	10%
FURNITURE	20%