SOMAIYA
VIDYAVIHAR UNIVERSITY

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

QUESTION PAPERS

BRANCH: Bachelor of Commerce **(Accounting & Finance)** [redacted]	**SEM: V**
	OCT/NOV-2023

Sr. No.	Subject	Available
1.	Direct Tax II	
2.	131U02C501 – Corporate A/C III (A)	
3.	131U02C501 – Corporate A/C III (B) , (C)	
4.	131U02V501 – Financial Management II (A)	
5.	131U02V501 – Financial Management II (B)	
6.	131U02V501 – Financial Management II (C) , (D)	
7.	131U03K501 – Research Methodology (A)	
8.	131U03K501 – Research Methodology (B)	
9.	131U03K501 – Research Methodology (C) ; (D)	
10.	131U03C503 – Direct Tax II , (A) . (B)	
11.	131U02V504 – Strategic Management (A)	
12.	131U02V504 – Strategic Management (B) , (C)	
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VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)

Programme code: **Programme: Accounting & Finance**	**Class:** TY	**Semester:** V
Name of the Constituent College: S.K.Somaiya College	**Name of the Department:**	
Course Code:	**Name of the Course: Direct Tax II**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions: 1) figure to right indicate marks
2) Use of Simple Calculator is allowed.

Q. No.		Max Marks	Co

Q.1

A) Discuss the implications of clubbing of income in following cases: (8) CO1

a) Mr. Tanmay gifted a sum of Rs. 8,00,000 to his brother's son Mst. Rohit aged 16 yrs on 01-04-2022. In turn his brother gifted debentures worth Rs. 9,00,000 to wife of Mr. Tanmay on 05-04-2022. Mst.Rohit invested the amount in fixed deposit with Canara Bank @ 8% p.a. and Wife of Mr. Tanmay received interest of Rs. 55,500 on debentures.

b) Mr. Joginder gifted Rs. 1,50,000 to her minor daughter who is partially blind. she received interest of Rs. 15,000 on 31.3.2023. Mst. Dev – minor son of Mr. Joginder is a excellent dancer and performs in reality shows, he earns a sum of Rs. 4,50,000 during the year 2022-23.

B) Following are the details of Income/loss in respect of Finanial Year 2022-23 of Mr. Yash Mehra (7) CO2

Particulars	Amount
1) Income from House Property 1 (LOP)	70,000
2) Loss form House Property 2 (SOP)	95,000
3) Income from Salaries	3,00,000
4) Income of Chemical Business	2,55,000
5) Loss of chemical business b/f from P.Y. 14-15	18,500
6) Income from maintenance of Racehorses	90,000
7) Loss from Maintenance of Racehorses b/f from P.Y. 2020-21	11,500
8) Long Term Capital Gain on sale of Land	1,10,000

Find out taxable income for the Assessment Year 2023-24

OR

C) Net Loss of Miracles and co as on 31.3.2023 is Rs. 4,55,000 after allowing following expenses: (8) CO3

a) Salary to Yatish Rs. 15,000 p.m.

b) Commission to Aatish @ 10% on Sales orders grab by him for the business of partnership worth Rs. 3,00,000.

c) Bonus paid to Mr. Jyotish Rs. 2,000 p.m. (Not working Partner)

d) Interest on Capital to partners @ 10% p.a. capital contributed is as follows on 1.4.2022

Yatish Rs. 3,00,000; Aatish Rs. 5,00,000 and Jyotish Rs. 2,00,000

Determine the amount of book profit and allowable salary to partners u/s 40(b). calculate tax payable by the partnership firm.

D) The share holding of Mr. Naitik and Mrs. Naitik in S.K.Ltd is given below: (7) CO1

1. Shareholding of Mr. Naitik 7%
2. Shareholding of Mrs. Naitik 9%
3. Shareholding of Mr. Naman, Brother of Mr. Naitik 8%
4. Shareholding of Mr. Narayan, Father of Mrs. Naitik 5%

Mr. Naitik and Mrs. Naitik are employed with S.K.Ltd. none of them hold technical qualification. Mr. Naitik gets salary @ 25,000 p.m. and Mrs. Naitik gets salary @ Rs. 20,000 p.m.

Discuss the clubbing provision and justify your answer.

Q.2.

A) Ms. Kumkum, aged 45 years, provides you following details of her salary and other income for the financial year 2022-23 (8) CO5

a) Salary per month Rs. 50,000
b) Dearness allowance 60% of Basic
c) Interest paid on Self occupied property Rs. 65,500
d) Interest on Saving Account with ICICI Bank Rs. 7,300 and with Dena Bank Rs. 4,100
e) Interest on Fixed Deposit with Shriram Transport Rs. 30,000
f) She invested Rs. 40,000 in PPF and 30,000 in NSC
g) She paid Medical insurance premium of Rs. 20,000 in cash.

Determine her tax liability and TDS u/s 192 to be deducted by employer per month.

B) Malhar and co a Partnership firm provides you following details of their business income and other income for the Previous Year 2022-23 (7) CO5

a) Business Income Rs. 3,00,000
b) Rent received from Let out Property Rs. 15,000 p.m.
c) Long Term Capital Gain Rs. 50,000

Calculate tax liability. Is he liable to pay advance tax instalments, if yes, give the schedule of advance tax payments for P.Y. 2022-23.

OR

C) Total tax liability determined by Chartered Accountant of Ms. Nehal is Rs. 85,000. Accordingly, she paid following amounts by way of advance tax (8) CO5

Due Date	Tax paid
Up to 15-06-2022	12,750
Up to 15-09-2022	---
Up to 15-12-2022	65,000
Up to 15-03-2023	85,000

On scrutiny of Income Tax return, Income tax office assessed the tax liability for the previous year 2022-23 at Rs. 1,05,000 which is accepted by Mr. Nehal. She paid the differential amount on 2nd December, 2023. Return is filed by her on duedate.

Find out the amount of interest payable under section 234A, 234B and 234C of Income Tax Act, 1961.

D) State the Applicability of TDS in following cases: (7) CO5

a) Mr. Madhur is a transporter who owns 8 goods carriage heavy vehicles throughout the previous year 2022-23 and furnishes the declaration and PAN to M/s ITC who paid Rs. 2,00,000 against transport service provided by Mr. Madhur

b) Ms. Mitali provides professional services. She received professional fees of Rs. 65,000 from Mr. Arun for technical services. Arun is engaged in a business of stationery not liable for tax audit u/s 44AB. She is also in receipt of professional fees of Rs. 1,00,000 from Ajanta Ltd. During the financial year 2022-23. Discuss the TDS implication in above case. Justify your answer.

Q.3

A) Mr. Arjun is the is a sports person who earns following receipts during the year 2022-23 by playing cricket tournaments in country Zambia (15) CO6

Date	Net Amount	TDS
18/09/2022	11,20,000	1,80,000
20/01/2023	6,30,000	70,000

He incurred expenses of Rs. 3,50,000 for earning above income in Zambia

He earns Income from playing cricket in Inda amounting to Rs. 8,00,000. He invested Rs. 90,000 in PPF and 1,00,000 in NSC.

Calculate Tax Payable by him:

a) If there is DTAA between India and Zambia

b) If DTAA does not exists between India and Zambia

OR

B) Explain the difference between Tax planning, Tax Avoidance and Tax Evasion (8) CO7

C) Elaborate on the importance of tax planning. (7) CO7

Q.4 Answer the following: (5 X 3 marks) (15)

a) Mr. Manas has taxable salary income of Rs. 8,50,000. He is not in receipt of any other income. Determine his tax liability and TDS to be deducted by employer on monthly basis u/s 192. CO5

b) Partnership firm earns Net Profit of Rs. 80,000 before allowing salary and interest on capital to its partners Ajay and Vijay: CO3

Rs. 60,000 Each and Interest on Capital @ 10% Rs. 5,000 each

Find out Book Profit and allowable salary U/s 40(b).

c) Mr. Ankush aged 64 years, is having an Income of Rs. 7,50,000 from pension and other sources. Calculate his tax liability and state whether he is liable for payment of advance tax or not. Which ITR she should file. CO4

d) Ms. Lavita is engaged in business having a Gross turnover of Rs. 85,00,000 of which she accepts cash receipts for 60 lakhs and digital payments for 25 lakhs. Can she opt for presumptive taxation under section 44ADA and if yes, what will be the taxable income and due date for filing ITR return. CO5

e) Explain the mandatory return for high value transactions u/s 139(1) CO4

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Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG Programmes)

Programme code: 02 **Programme: BAF**	**Class:** TY	**Semester:** V
Name of the Constituent College: S.K. SOMAIYA	**Name of the Department**: Accounting and Finance	
Course Code: 131U02C501	**Name of the Course: Corporate A/c - III**	
Duration: 2 Hr.	**Maximum Marks: 60**	

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

Q.No		Max. Marks	CO
Q.1.	Following is the balance sheet of Mau Ltd. As on 31st March 2023:-	15	01

LIABILITIES	₹	ASSETS	₹
Equity Share Capital of ₹10each	4,00,000	Land & Building	3,00,000
Pref. share capital of ₹100 each	2,00,000	Machinery	2,50,000
12% Debentures	1,50,000	Stock	1,00,000
Creditors	1,25,000	Debtors	75,000
		Bank	10,000
		P & L a/c	1,40,000
	8,75,000		**8,75,000**

Prapti Ltd. Acquires the business of Mau Ltd. & agrees to takeover only fixed assets & debentures of Mau Ltd.
& discharged purchase consideration as under: -

a. Issue of 15,000 equity shares of ₹10 to preference shareholders in full settlement.
b. Issue of 35,000 equity shares of ₹10 each to Equity shareholders & paid cash for the balance.

The Land & Building & Machinery are revalued at ₹5,75,000 & ₹ 1,45,000 respectively.
Mau Ltd. Realized stock & debtors at ₹ 75,000 & ₹ 65,000 respectively & discharged creditors at 10% discount.
Liquidation expenses of Mau Ltd. Amounted to ₹ 12,500.
You are required to :-
a. Calculate Purchase Consideration,
b. Prepare necessary ledger a/c to close the books of old co.
c. Pass journal entries in the books of new co.

OR

Q.No		Max. Marks	CO
Q.1.	Following are the Balances Sheets of X Ltd. and Y Ltd. as on 31st March 2023.	15	01

Liabilities	X Ltd. ₹	Y Ltd. ₹	Assets	X Ltd. ₹	Y Ltd. ₹
Share Capital (Rs.10 each)	50,000	1,00,000	Fixed Assets	60,000	12,5,000
Reserve Fund	20,000	30,000	Loan to Y Ltd	5,000	-
Foreign Projects Reserve	5,000	-	Debtors	15,000	10,000

Creditors	15,000	20,000	Stock	10,000	15,000
Loan from X Ltd.	-	5,000	Cash at Bank	-	5,000
	90,000	**1,55,000**		**90,000**	**1,55,000**

Y Ltd. agreed to absorb X Ltd, on the following terms.
Y Ltd. shall give one share of Rs. 10 each at Rs. 35 per share for every 3 shares held in X Ltd. the amount for the fraction of shares shall be paid in cash calculated as per the market price of the share of Y Ltd.
Stock of X Ltd. includes goods worth ₹7500 purchased from Y Ltd. which has a profit margin of 20% on cost.
Debtors of Y Ltd. includes Rs. 2500 being, amount due from X Ltd. but the Creditors of X Ltd. include Rs. 2000 only being the amount due to Y Ltd. The difference between the Debtors and Creditors is due to cash in transit. The share of Y Ltd. is quoted in the market at Rs. 45 per share.
You are requested to pass the journal entries in the books of Y Ltd. and the Balance Sheet after the absorption, assuming that the Foreign Projects Reserve is still to be maintained for 3 years. Assume that the amalgamation is in the nature of Purchase.

Q2 Following is the balance sheet of SHIVA Ltd. as on 31/3/2022. 15

Liability	Rs.	Assets	Rs.
8% Preference shares of Rs.100	6,00,000	Goodwill	60,000
equity shares of Rs.10 each	5,00,000	Patents and Trademarks	40,000
Capital Reserve	50,000	Building	3,00,000
5% Debentures of Rs.100 each	3,00,000	Plant & Machinery	3,00,000
Debentures Interest Due	50,000	Furniture	1,00,000
Sundry Creditors	1,80,000	Stock	1,50,000
		Sundry Debtors	75,000
		Bank	1,00,000
		Cash	25,000
		Discount On Debentures	30,000
		Profit & Loss A/c	5,00,000
	16,80,000		**16,80,000**

Note:
The following scheme of Reconstruction was prepared and duly approved by the court.
(1) The Preference shares shall be converted into equal number of 9% Preference shares of Rs.50 each.
(2) The equity shares shall be reduced to Rs.3 each. However, the face value will remain the same.
(3) 5% Debentures shall be converted into equal number of 6% Debentures, of Rs.75 each. The debenture holders also agreed to waive 50% of the accrued interest.
(4) Arrears of preference dividend is to be reduced to one year's dividend which is paid in cash.
(5) the sundry creditors agreed to waive 30% of their claims and accept equity shares for Rs.30,000 in part settlement of their renewed claims.
(6) The assets are to be revalued as under:
Building ₹ 3,50,000, Plant & Machinery ₹ 2,50,000, Furniture ₹ 80,000, Stock ₹ 1,00,000 Debtors ₹ 70,000.
(7) Intangible assets and fictitious assets are to be written off.
Pass journal entries, prepare capital Reduction account in the books for Shiva Ltd.

OR

Q.2. Mr. Prashant submits the following details regarding his holdings in 8% Government Bonds of Rs.100 each. 15 03

1/4/2023	**Opening Balance:**
50,000	Nominal value of bonds
60,000	cost of the said Bonds
	Purchase:
1/5/2023	Face value Rs.75,000 for Rs.76,300 cum- interest
1/11/2023	Face value Rs.1,12,500 at Rs.99 ex-interest
	Sales:
1/6/2023	Face value Rs.75,000 at Rs.102 um-interest
1/12/2023	Face value Rs.90,000 at Rs.98 Ex-interest

Interest is payable half yearly on 30th June and 31st December every year.
The market price of investment as on 31st March 2024 was Rs.70,000.
Prepare 8% Government Bonds Account in the books of Mr. Prashant for the year ended 31st March 2024.

Q.3. Following is the balance sheet of Pooja Ltd. as on 31st March, 2023. 15 05

Liabilities	Rs.	Assets	Rs.
Share Capital		**Fixed Assets**	
2,00,000 Equity Shares Of		Land & Building	7,50,000
Rs.10 Each Rs.8 Paid Up	16,00,000	Plant & Machinery	7,50,000
Reserves		Furniture	5,50,000
General Reserve	2,50,000	Investments	3,75,000
Profit And Loss A/C	12,50,000	**Current Assets**	
Securities Premium	5,00,000	Debtors	11,75,000
Secured Loans		Bill Receivables	2,50,000
11% Debentures	5,00,000	Bank Balance	10,00,000
Unsecured Loans	5,00,000	Stock	5,00,000
Current Liabilities			
Creditors	3,75,000		
Bills Payable	3,75,000		
	53,50,000		**53,50,000**

The company decides to buy back the maximum number of equity shares as may be permitted at a price of Rs.20 per share. Find out maximum number of shares to be bought back and pass journal entries and prepare balance sheet after Buy Back.

OR

Q.3. Mr. Ravi is appointed liquidator of a company in liquidation on 1st April 2023 and the following balances are extracted from the books on that date. 15 04

LIABILITIES	**₹**	**ASSETS**	**₹**
Equity Shares of ₹ 10 each.	3,20,000	Machinery	1,20,000
Debentures	2,00,000	Building	1,60,000
Bank Overdraft	72,000	Stock	4,000
Liabilities For purchases	80,000	Debtors	2,40,000
Provision for Bad Debts	40,000	Investments	24,000
		Calls in Arrear	20,000
		Cash in hand	4,000
		Profit and Loss Account	1,40,000
	7,12,000		**7,12,000**

	Prepare a statement of affairs to be submitted to the meeting of the creditors. The Machinery is valued at 2,40,000, the building at 2,92,000, Investments at 16,000, Stock-in-trade at ₹ 8,000; bad debts are 8,000, doubtful debts are 16,000 estimated to realize 8,000. The Bank Overdraft is secured by deposit of title deeds of Building. Preferential creditors for taxes & wages are 4,000. Telephone rent owing is 320		
Q.4.	Answer the followings:- [3 marks each]	15	
	1. Distinguish between Purchase Method & Merger Method.		01
	2. Y Ltd. is to be taken over by X Ltd., Y Ltd. has 10% Debentures of ₹100 each for the value of ₹ 45,00,000. X ltd. discharged 10% Debentures of Y Ltd., issuing such number of it's 15% Debentures of ₹100 each so as to maintain the same amount of interest. Calculate the number of debentures to be issued by X ltd. & pass journal entry for the same.		02
	3. Calculate Liquidator's Remuneration from the following information. Secured Creditors ₹1,20,000 (Securities realized ₹1,60,000) Other assets realized ₹1,50,000. Unsecured creditors ₹2,00,000 Preferential Creditors ₹ 20,000 Liquidator's remuneration is 2.5% on the amount of assets realized & 2% on Preferential creditors & unsecured creditors.		04
	4. The following balances appeared in the books of Om Ltd. 20,000 Equity Shares of ₹100 each fully paid up. ₹ 20,00,000. 10,000 ,8% Preference shares of ₹100 each fully paid up ₹ 10,00,000., Capital Redemption Reserve ₹ 2,00,000. Security Premium a/c ₹ 1,60,000. General Reserve ₹ 4,00,000. P & L a/c ₹ 2,00,000, 10% Debentures ₹ 20,00,000. ascertain the maximum number of Equity Shares that company can buy & also find out the maximum purchase price.		05
	5. Mr. D buys 500, 10% Debentures of face value of Rs 100 each of C Ltd at Rs 101 cum-interest on 1-4-2023. Interest is to be paid on 30th June & 31st Dec. every year. Calculate actual cost price paid by Mr. D. & pass journal entry for that transaction.		03

BAF (A)

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Semester (July 2023 to October 2023)
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Programme code: 02 **Programme: BAF**	**Class:** TY	**Semester:** V
Name of the Constituent College: S.K. SOMAIYA	**Name of the Department**: Accounting and Finance	
Course Code: 131U02C501	**Name of the Course: Corporate A/c - III**	
Duration: 2 Hr.	**Maximum Marks: 60**	

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

Q.No		Max. Marks	CO
Q.1.	The following are the Balance Sheet as on 31-12-2023 of P. Ltd. and Q. Ltd.	15	01

Liabilities	P. Ltd	Q. Ltd	Assets	P. Ltd	Q. Ltd
Equity share capital			Land and Buildings	70,000	-
(Rs.100 per share)	2,00,000	1,20,000	Plant & Machinery	2,20,000	1,00,000
15% Debentures	40,000	-	Stock	35,000	18,000
Reserve Fund	76,000	5,000	Debtors	25,000	16,000
Employee's Provident Fund	6,000		Bank	6,000	2,000
Sundry Creditors	30,000	16,000	**MISC. Exp.**		
Profit & Loss A/c	4,000	-	Advertisement Exp.	-	5,000
	3,56,000	**1,41,000**		**3,56,000**	**1,41,000**

The two companies agree to amalgamate and form a new company M/s. PQ Ltd. which takes over the assets and liabilities of both the companies. The authorized capital of PQ Ltd. is 20,00,000 consisting of 2,00,000 Equity shares of Rs.10 each. The assets of P Ltd. are taken over at 90% of the book-value with the exception of land building which are accepted at book value. Both the companies are to receive 10% of the net valuation of their respective business as goodwill. The purchase consideration is to be satisfied by PQ Ltd. in its fully paid shares at 10% premium. In return of Debentures of P Ltd. Debentures of the same amount and denomination are to be issued by PQ Ltd. Calculate the amount of purchase consideration & Close the books of old companies.

OR

Q.1.	Following are the Balances Sheets of Galaxy Ltd. and Gemini Ltd. as on 31st March 23	15	01

Liabilities	Galaxy Ltd.	Gemini Ltd.	Assets	Galaxy Ltd.	Gemini Ltd.
	Rs	Rs		Rs	Rs
Share Capital (Rs.10)	50,000	1,00,000	Fixed Assets	60,000	12,5,000
Reserve Fund	20,000	30,000	Loan to Gemini Ltd	5,000	-

Foreign Projects Reserve	5,000	-	Debtors	15,000	10,000
Creditors	15,000	20,000	Stock	10,000	15,000
Loan from Galaxy Ltd.	-	5,000	Cash at Bank	-	5,000
	90,000	**1,55,000**		**90,000**	**1,55,000**

Gemini Ltd. agreed to absorb Galaxy Ltd, on the following terms.

Gemini Ltd. shall give one share of Rs. 10 each at Rs. 35 per share for every 3 shares held in Galaxy Ltd. the amount for the fraction of shares shall be paid in cash calculated as per the market price of the share of Gemini Ltd.

Stock of Galaxy Ltd. includes goods worth ₹7500 purchased from Gemini Ltd. which has a profit margin of 20% on cost.

Debtors of Gemini Ltd. includes Rs. 2500 being, amount due from Galaxy Ltd. but the Creditors of Galaxy Ltd. include Rs. 2000 only being the amount due to Gemini Ltd. The difference between the Debtors and Creditors is due to cash in transit. The share of Gemini Ltd. is quoted in the market at Rs. 45 per share.

You are requested to pass the journal entries in the books of Gemini Ltd. and the Balance Sheet after the absorption, assuming that the Foreign Projects Reserve is still to be maintained for 3 years. Assume that the amalgamation is Purchase

Q2 Following is the Balance sheet of Sachin Ltd. as on 31st March 2023 15 02

Liability	**Rs.**	**Assets**	**Rs.**
Share Capital:		Goodwill	3,40,000
1,60,000 equity shares of Rs.5 each fully paid	8,00,000	Land & Building	2,60,000
4,000 6% cumulative preference shares		Equipments	2,50,000
of Rs.100 each fully paid	4,00,000	Sundry Debtors	2,40,970
8% Debentures (Rs.100 each)	4,00,000	Stock	3,30,340
Bank overdraft	1,50,000	Investment	45,450
Sundry Creditors (including Rs.20,000		Cash at Bank	20,240
interest due on Bank overdraft	3,40,360	Profit & Loss A/c.	6,03,360
	20,90,360		**20,90,360**

Preference dividend is in arrears for five years. Following scheme of reconstruction was approved by the court.

(1) Equity shares be reduced to Rs.1.25 each and then to be consolidated into shares of Rs.10 each.

(2) 6% Preference shares be reduced to Rs.40 each and then to be subdivided into shares of Rs.10 each.

(3) interest accrued but not due on 8% Debentures for half year ended 31st March 2008 has not been provided in the above Balance sheet. The debenture holders have agreed to receive 40% of his interest in cash immediately and provision for the balance be made in the books of account.

(4) Rs.24,000 be paid to Preference shareholders in lieu of arrears of preference dividend.

(5) The debenture holders have also agreed to accept equal number of 9% debentures of Rs.60 each in exchange of 8% debentures of Rs.100 each.

(6) Bank has agreed to take over 50% of stock in full satisfaction of its claim including interest. The remaining stock be revalued at Rs.1,20,000.

(7) Investment be sold for Rs.40,000.

(8) Tangible fixed assets be appreciated by 20%, goodwill be written off in full and provision be made for doubtful debts of Rs.20,000.

Give journal entries for the above scheme of reconstruction. Prepare capital reduction account in the books of Sachin Ltd.

OR

Q.2. On 1/4/2022 Mr. Amit had 10,000 equity shares (of Rs.10 each) in Sai Ltd. at the cost of Rs.1,60,000. 15 03
On 1/7/2022 he acquired 4,000 more shares in the same company for Rs.80,000.
On 31/7/2022 he further acquired 6,000 more shares at Rs.22 per share.
On 10/8/2022 Sai Ltd. announced bonus shares to the then equity shareholders in the ratio of 1 bonus share for every 4 shares held as on 5/8/2022. Amit received the bonus shares on 22/8/2022.
The directors of Sai Ltd. issued right shares to the equity shareholders on the following terms.
Right shares to be issued to the existing shareholders as on 31/8/2022.
Right offered was at the rate of Rs.15 per share in the ratio 1 share for every 5 shares held. Full amount was payable on or before 15/10/2022.
Shareholders would be entitled to renounce their entitlement either wholly or in part to the outsiders.
Amit exercised his right of option under the issue for 3,000 shares and sold the balance to Mr. Ravi @ Rs.4 per share. On 20/10/2022 Sai Ltd. declared the dividend @ Rs.4 per share for the year ending 31/3/2022.
On 10/1/2023 Amit sold 7,000 shares @ Rs.40 per share.
Prepare investments a/c. in the books of Amit for the year ended 31/3/2023.

Q.3. Following is the balance sheet of MUDRA Ltd. as on 31st March 2023 15 05

Liabilities	**Rs.**	**Assets**	**Rs.**
Share Capital		**Fixed Assets**	
Authorized:		Land & Building	30,00,000
10,00,000 Equity Shares Of Rs.10 Each	1,00,00,000	Plant & Machinery	30,00,000
		Furniture	22,00,000
Issued:		Investments	15,00,000
8,00,000 Equity Shares Of		**Current Assets**	
Rs.10 Each Rs.8 Paid Up	64,00,000	Debtors	47,00,000
Reserves		Bill Receivables	10,00,000
General Reserve	10,00,000	Bank Balance	40,00,000
Profit And Loss A/C	50,00,000	Stock	20,00,000
Securities Premium	20,00,000		
11% Debentures	20,00,000		
Unsecured Loans	20,00,000		
Creditors	15,00,000		
Bills Payable	15,00,000		
	2,14,00,000		**2,14,00,000**

The company decides to buy back the maximum number of equity shares as may be permitted at a price of Rs.20 per share. Find out maximum number of shares to be bought back and pass journal entries and prepare balance sheet after Buy Back.

OR

Q.3. Following is the balance of M/s Unfair Ltd. as on 31st March 2022: 15 04

Liabilities	**Rs.**	**Assets**	**Rs.**
4,000 6% Preference Shares of 100 each	4,00,000	Land & Building	2,00,000
2000 Equity shares of Rs 100 each, Rs 75 per share paid up	1,50,000	Plant & Machinery	5,00,000
6000 Equity shares of Rs 100 each, Rs 60 paid up	3,60,000	Patents	80,000
5% Debentures (having floating charge on all assets)	2,00,000	Stock	1,10,000
Interest accrued on debentures	10,000	Debtors	2,20,000
Creditors	2,90,000	Cash at bank	60,000
		Profit & Loss A/c	2,40,000
	14,10,000		**14,10,000**

On the above date, the company went into liquidation. The dividend on preference shares were in arrears for two years. Creditors include a loan of Rs. 1,00,000 on mortgage of land and building.

The assets realized as under:

Land and Building Rs.2,40,000; Plant and Machinery Rs.4,00,000; Patents Rs.60,000; Stock Rs.1,20,000; Debtors Rs. 1,60,000.

The expenses of liquidation amounted to Rs.15,000 and legal charges were Rs.6,800. The liquidator is entitled to commission of 3% on all assets realized and a commission of 2% on amount distributed among unsecured creditors. Creditors included salaries and wages payable to workers for past four months Rs. 30,000. All payments were made on 30th September 2022.

Prepare Liquidator's Final Statement of Accounts.

Q.4. Answer the followings:- [3 marks each] 15

1. Explain the terms Amalgamation, Absorption & External Reconstruction. 01
2. Q Ltd. is to be taken over by P Ltd., Q Ltd. has 8% Debentures of ₹100 each for the value of ₹ 60,00,000. 02
   P ltd. discharged 8% Debentures of Q Ltd., issuing such number of it's 10% Debentures of ₹100 each so as to maintain the same amount of interest. Calculate the number of debentures to be issued by P ltd. & pass journal entry for the same.
3. Calculate Liquidator's Remuneration from the following information. 04
   Secured Creditors ₹2,40,000 (Securities realized ₹3,20,000)
   Other assets realized ₹3,00,000.
   Unsecured creditors ₹4,00,000, Preferential Creditors ₹ 40,000
   Liquidator's remuneration is 3% on the amount of assets realized & 2.5% on Preferential creditors & unsecured creditors.
4. The following balances appeared in the books of Pooja Ltd. 05
   8,00,000 Equity shares of ₹10 each ₹ 80,00,000, General Reserve ₹16,00,000, Profit & Loss a/c ₹64,00,000, 12% Debentures ₹40,00,000 ascertain the maximum number of Equity Shares that company can buy back at a price of ₹25 each.
5. Mr. Virat buys 1000, 12% Debentures of face value of Rs 100 each of Kohli Ltd at Rs 103 cum-interest on 1-5-2023. Interest is to be paid on 30th June & 31st Dec. every year. Calculate actual cost price paid by Mr. Virat. & pass journal entry for that transaction. 03

C

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG Programmes)

Programme code: 02 **Programme: BAF**	**Class:** TY	**Semester:** V
Name of the Constituent College: S.K. SOMAIYA	**Name of the Department**: Accounting and Finance	
Course Code: 131U02C501	**Name of the Course: Corporate A/c - III**	
Duration: 2 Hr.	**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.	The following are the Balance Sheet as on 31-12-2004 of Nisha Ltd. and Usha Ltd.	15	01

Liabilities	Nisha Ltd	Usha Ltd	Assets	Nisha Ltd	Usha Ltd
Equity share capital			Land and Buildings	1,40,000	-
(Rs.100 per share)	4,00,000	2,40,000	Plant & Machinery	4,40,000	2,00,000
15% Debentures	80,000	-	Stock	70,000	36,000
Reserve Fund	1,52,000	10,000	Debtors	50,000	32,000
Employee's Provident Fund	12,000	-	Bank	12,000	4,000
Sundry Creditors	60,000	32,000	MISC. Exp.		
Profit & Loss A/c	8,000	-	Advertisement Exp.	-	10,000
	7,12,000	**2,82,000**		**7,12,000**	**2,82,000**

The two companies agree to amalgamate and form a new company M/s. Ujala Ltd. which takes over the assets and liabilities of both the companies.

The authorized capital of Ujala Ltd. is 40,00,000 consisting of 4,00,000 Equity shares of Rs.10 each. The assets of Nisha Ltd. are taken over at 90% of the book-value with the exception of land building which are accepted at book value.

Both the companies are to receive 10% of the net valuation of their respective business as goodwill.

The purchase consideration is to be satisfied by Ujala Ltd. in its fully paid shares at 10% premium. In return of Debentures of Nisha Ltd. Debentures of the same amount and denomination are to be issued by Ujala Ltd.

Close the books of Nisha Ltd. and Usha Ltd

OR

Q.1. Following are the Balance sheets of Moksh Ltd. & Prapti Ltd. As on 31st March 2022: - 15 01

BALANCE SHEET

LIABILITIES	MOKSH	PRAPTI	ASSETS	MOKSH	PRAPTI
Equity Shares of ₹100 each	9,00,000	15,00,000	Goodwill	1,50,000	1,50,000
9% Preference shares of ₹100	6,00,000	9,00,000	Land & Building	6,00,000	7,50,000
General reserve	75,000	90,000	Machinery	4,50,000	6,00,000
Revaluation Reserves	45,000	60,000	Computer	3,00,000	4,50,000
Export profit reserves	30,000	45,000	Investments	1,50,000	1,50,000
Profit & Loss A/c	15000	30000	Stock	3,00,000	4,50,000
12% Debentures of Rs.100 each	3,00,000	4,50,000	Sundry Debtors	1,50,000	3,00,000
Unsecured Loans	1,50,000	75,000	Bills receivable	75,000	1,50,000
Creditors	2,25,000	1,80,000	bank	1,95,000	3,75,000
Bills Payable	30,000	45,000			
	23,70,000	**33,75,000**		**23,70,000**	**33,75,000**

Deep Ltd. was formed to take over the business of Moksh Ltd. and Prapti Ltd. with an authorized share capital of Rs.30,00,000 consisting of 20,000, 13% preference shares of Rs.100 each and 1,00,000 equity shares of Rs.10 each.

Terms of Amalgamation:

(1)9% Preference shareholders of both the companies are issued equal number of 13% preference shares of Deep Ltd. at a price of Rs.125 each.

(2) Deep Ltd. will issue four equity shares for three equity shares of Moksh Ltd. and four equity shares for five equity shares of Prapti Ltd. the share are to be issued at Rs.35 each.

(3) 12% Debentures holders of both the companies are discharged by Deep Ltd. by issuing such number of its 15% Debentures of Rs.100 each so as to maintain the same amount of interest.

(4) Deep Ltd. agree to take over all assets and all liabilities at book values except the following.

(i) Tangible fixed assets at 10% more than book value.

(ii) Investments and sundry debtor at 90% of their book values.

(5) Export profit Reserve are to be maintained for three more years.

You are required to :-

Compute purchase consideration of Moksh & Prapti Ltd.

Pass necessary Journal Entries in the books of new co. & Prepare Balance sheet also Apply Purchase Method.

Q2 The balance sheet of Useless Ltd. as on31st March,2022 appeared as follows: - 15 02

Liability	Rs.	Assets	Rs.
Equity shares of Rs.10 each, fully paid	600,000	Goodwill	1,67,000
9% pref. shares of Rs.100 fully paid	2,00,000	Land & Building	3,00,000
11% Debentures	4,00,000	Plant & Machinery	2,15,000
Interest accrued on above	44,000	Investments	75,000

Debentures			
Unsecured Loans	2,60,000	Stock	2,10,000
Interest accrued on above Unsecured loans	30,000	Sundry Debtors	3,10,000
Current Liabilities	1,66,000	Bank	45,000
		Preliminary Expenses	25,000
		Profit & Loss A/c.	3,53,000
	17,00,000		**17,00,000**

A Scheme of reconstruction has been agreed amongst the shareholders and the creditors and approved by the court with the following salient features.

a. Equity shares are to be reduced to Rs.3 each fully paid.
b. 9% Preference shareholders have agreed to accept 12% Debentures of face value of Rs.1,20,000, issued at par, in full satisfaction of their claims.
c. Interest due on unsecured loans is paid at 40% discount.
d. Interest accrued on 11% debentures is paid at 50%Discount.
e. 40% of current liabilities are to be reduced to 75% and Balance 60% to be reduced to 80%.
f. 20% of stock is obsolete which is sold at 40% of book value.
g. Goodwill, preliminary expenses and Debit Balance in the profit and Loss account is to be written off, Rs.33,000 should be provided for doubtful debts and the value of fixed assets should be appreciated by 10%.
h. Cost of reconstruction paid Rs.16,820.

Pass Journal entries and prepare capital reduction account.

OR

Q.2. Mr. MOKSH holds as on 1st, April 2021 ₹ 1,50,000 (cost price Rs.1,56,000) 6%, Debentures as an investment on which interest is payable half yearly on 30th June and 31st December every year. The following transactions took place during the accounting year ended 31st March,2022. 15 03

Purchase:
On 1/5/2021 Face value Rs.60,000 @ 98 cum- interest
On 1/11/2021 Face value Rs.90,000 @ 101 ex-interest.
Sales:
On 1/8/2021 Face value Rs.72,000 @ 97 cum-interest
On 1/2/2022 Face value Rs.48,000 @ 102 ex- interest.

Market price of investment at 1% discount on 31st March,2022.

Write up Investment Account closing it on 31st March,2022 in the books of Mr. Moksh Investment are to be valued at cost or at market value whichever is less. (Apply AS 13)

Q.3. The Balance Sheet of PRASHANT Ltd. as on 31-3-2022 is as follows: 15 05

Liabilities	**Rs.**	**Assets**	**Rs.**
Equity Shares of Rs.10 each	12,50,000	Fixed Assets	20,00,000
Securities Premium A/c	2,50,000	Investments	7,50,000
General Reserves	5,00,000	**Current Assets:-**	
Profit and Loss A/c	5,00,000	Bank Balance	7,50,000
10% Debentures	12,50,000	Other Current Assets	12,50,000
Current Liabilities	10,00,000		
	47,50,000		**47,50,000**

Keeping in view all the legal requirements ascertain: -

1. Maximum number of Equity shares that company can Buy Back.
2. The maximum purchase price it can offer.
3. Pass necessary Journal Entries & prepare Balance Sheet after Buy Back.

OR

Q.3. Shri Amit is appointed liquidator of a company in liquidation on 1st July 2022 and the following balances are extracted from the books on that date. 15 04

LIABILITIES	₹	**ASSETS**	₹
Equity Shares of ₹ 10 each.	1,60,000	Plant & Machinery	60,000
Debentures	1,00,000	Leasehold Properties	80,000
Bank Overdraft	36,000	Stock	2,000
Liabilities For purchases	40,000	Debtors	1,20,000
Provision for Bad Debts	20,000	Investments	12,000
		Calls in Arrear	10,000
		Cash in hand	2,000
		Profit and Loss Account	70,000
	3,56,000		**3,56,000**

Prepare a statement of affairs to be submitted to the meeting of the creditors. The Machinery is valued at 1,20,000, the Leasehold Properties at 1,46,000, Investments at 8,000, Stock-in-trade at 4,000; bad debts are 4,000, doubtful debts are 8,000 estimated to realize 4,000. The Bank Overdraft is secured by deposit of title deeds of Leasehold Properties. Preferential creditors for taxesand wages are 2,000. Telephone rent owing is 160.

Q.4. Answer the followings:- [3 marks each] 15

1. Explain the methods of purchase consideration. 01
2. B Ltd. is to be taken over by A Ltd., B Ltd. has 10% Debentures of ₹100 each for the value of ₹ 30,00,000. 02
   A ltd. discharged 10% Debentures of B Ltd., issuing such number of it's 15% Debentures of ₹100 each so as to maintain the same amount of interest.
   Calculate the number of debentures to be issued by A ltd. & pass journal entry for the same.
3. Calculate Liquidator's Remuneration from the following information. 04
   Secured Creditors ₹60,000 (Securities realized ₹80,000)
   Other assets realized ₹75,000.
   Unsecured creditors ₹1,00,000
   Preferential Creditors ₹ 10,000
   Liquidator's remuneration is 2% on the amount of assets realized & 3% on Preferential creditors & unsecured creditors.
4. The following balances appeared in the books of Sai Ltd. 05
   4,00,000 Equity shares of ₹10 each ₹ 40,00,000, General Reserve ₹8,00,000, Profit & Loss a/c ₹32,00,000, 12% Debentures ₹20,00,000.
   ascertain the maximum number of Equity Shares that company can buy back at a price of ₹25 each.
5. Mr. A buys 300, 12% Debentures of face value of Rs 100 each of B Ltd at Rs 102 cum-interest on 1-3-2023. Interest is to be paid on 30th June & 31st Dec. every year. Calculate actual cost price paid by Mr. A. & pass journal entry for that transaction. 03

A

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)

Programme code: 02 **Programme: Accounting & Finance**	**Class:** TY	**Semester:** V
Name of the Constituent College: S.K.Somaiya College	**Name of the Department:** Accounting & Finance	
Course Code: 131U02V501	**Name of the Course: Financial Management - II**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions: 1) figure to right indicate marks
2) Use of Simple Calculator is allowed.

Q. No.		Max Marks	Co
Q.1 A)	Find out operating, financial and combine leverage under situations I, II and III and Financial Plans A, B, C respectively.	(15)	CO1

Particulars	Amount (Rs)
Installed Capacity (No of Units)	2,000
Actual Production and Sales (No. of units)	1,800
Selling price Per Unit (Rs.)	30
Variable cost Per Unit (Rs.)	18
Fixed Cost (Situation A)	5,000
Fixed Cost (Situation B)	10,000
Fixed Cost (Situation C)	15,000

Financial Plan	I	II	III
Equity (Rs.)	50,000	75,000	25,000
12% Debts (Rs.)	50,000	25,000	75,000

OR

B)	From the following particulars, prepare income statement of Asha Ltd and Nisha Ltd:	(15)	CO1

Particulars	Asha Ltd	Nisha Ltd
Degree of Combine leverage.	1.92 times	4 times
Degree of Operating Leverage	1.6 times	2 times
Variable cost as % of Sales	60%	60%
Rate of Income tax	30%	30%
Number of Equity Shares	5,00,000	2,50,000
Earnings per share.	Rs 3.50	Rs. 5.60

Q.2

A) Shriniwas ltd has the following capital structure: (15) CO2

Equity Capital	2,00,000 shares	40 lakhs
6% Preference Capital	1,00,000 Shares	10 lakhs
8% Debntures	3,00,000 Shares	30 lakhs
	Total	80 lakhs

It proposes to borrow Rs. 20 lakhs with interest @ 10% p.a. The Dividend on equity will increase from Rs. 2 to Rs. 3 per share. You are required to ascertain the change in the Weighted Average Cost of Capital consequent to proposed borrowings.

OR

B) Law and Order Ltd has the following capital structure: (15) CO2

Equity Shares	25 Lakhs
6% Preference Shares	35 Lakhs
7% Debentures	30 Lakhs
Total	90Lakhs

The market price of the company's equity share is Rs. 30/-. It is expected that the company would next year pay a dividend of Rs. 3/- per share on the face value of Rs. 10/-. The company's growth prospects are 4% per annum.
Assuming taxation rate @ 35% you are required to :

a) Calculate weighted average cost of capital on the existing capital structure
b) Compute the new weighted average cost of capital if the company raises additional capital of Rs. 40 lakhs as under:

Equity Shares	10 Lakhs
6% Preference Shares	15 Lakhs
7% Debentures	15 Lakhs
Total	40Lakhs

This would result in increasing the expected dividend to Rs. 4.50 per equity share and leave the growth rate unchanged at 4% but the anticipated market price of the equity share would fall to Rs. 25/-

Q.3

A) Expected profit before depreciation and taxation of M/s Ahaluwalia Ltd from their New project "Amrit Dhara" is as follows: (15) CO3

Year	Amount
1	1,40,000
2	1,25,000
3	1,85,000
4	2,30,000
5	2,80,000
6	2,50,000
7	3,20,000
8	3,55,000
9	4,15,000
10	4,80,000

Cost of Project Amrit Dhara is Rs. 10,20,000 with expected scrap value of Rs. 20,000 after 10 years.

Considering PV Factor at 10% and Tax rate of 30% determine the viability of project based on following:

a) Discounted Payback Period
b) Net Present Value
c) Profitability Index

OR

B) Accounts of M/s Balveer ltd are summarized below: (15) CO4

Income statement for the year ended on 31.3.2022

Particulars	Amount	Amount
Revenue from operation		19,00,000
Less:		
Cost of Goods sold	11,82,000	
General Expenses	1,36,000	
Selling and distribution expenses	1,56,000	
	58,000	
Interest on loan	36,000	15,68,000
Earning Before Tax		3,32,000
Less: Tax @ 35%		1,16,200
Earning After Tax		2,15,800

Balance Sheet as on 31.3.2022

Liabilities	**Amount**	**Assets**	**Amount**
Equity Shares (20 K Shares of Rs. 10 each)	2,00,000	Land & Building	4,00,000
		Plant & Machinery	5,70,000
		Cloisng Stock	2,00,000
Reserves and Surplus	6,30,000	Debtors	3,00,000
10% Loan	3,60,000	Cash and Bank	80,000
Other Current Liabilities	3,60,000		
	15,50,000		15,50,000

The additional information:

a) The risk-free rate of return in the economy is 8% and the premium expected from business in general is 5%. The beta of Balveer Ltd is 1.27
b) The equity shares of Balveer Ltd quoted in the market on 31.3.2022 are Rs. 50 per shares
c) General expenses include R & D Expenses of Rs. 1,00,000
d) For EVA Calculation R & D Expenses are to be considered as an investment.

Determine the Economic Value Added and Market Value Added for the year ended on 31.3.2022

Q.4 Answer the following (3 X 5 Marks) (15)

A) Explain the traditional approach in capital structure theories. CO1

B) Find the Cost of Preference Capital in following Cases: CO2

- X Ltd issued 100 lakhs 14% preference shares of Rs. 100 each redeemable at par after 5 years. Dividned Tax Rate 20%. Calculate the cost of preference share if the issue is at 10% premium with 5% floatation cost

	- Calculate cost of Preference share capital if above issue is at 10% Discount with 5% floatation cost.		
	C) Following information is provided by M Ltd for the year ended on 31.3.2022 - Equity Capital Rs. 10 each - Rs. 5,00,000 - Profit After Tax = Rs. 6,00,000 - P/E Ratio = 4 times - Reserves and Surplus = Rs. 1,50,000 Find out MVA of the company.		CO4

B

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)

Programme code: 02 **Programme: Accounting & Finance**	**Class:** TY	**Semester:** V
Name of the Constituent College: S.K.Somaiya College	**Name of the Department:** Accounting and Finance	
Course Code: 131U02V501	**Name of the Course: Financial Management - II**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions: 1) figure to right indicate marks
2) Use of Simple Calculator is allowed.

Q. No.		Max Marks	Co
Q.1 A)	The selected financial data for LAN, VAN and MAN Ltd companies for the year ended on 31.3.22 were as follows:	(15)	CO1

Particulars	LAN	VAN	MAN
Variable cost as % of Sales	66 2/3	75	50
Interest Expenses (Rs.)	200	300	1,000
Degree of Operating Leverage	5	6	2
Degree of Financial Leverage	3	4	2
Income Tax Rate %	40	40	40

Prepare an Income Statement for each of the three companies.

OR

) The data related to two companies are given below: (15) CO1

Particulars	Insta Ltd	Mensa Ltd
Equity Capital @ Rs. 10 each	Rs. 6,00,000	Rs. 3,50,000
12% Debentures	Rs. 4,00,000	Rs. 6,50,000
Output in Units	60,000	15,000
Selling price per unit	Rs. 30	Rs. 250
Fixed cost	Rs. 7,00,000	Rs. 14,00,000
Variable cost per unit	Rs. 10	Rs. 75

You are required to calculate operating leverage, financial leverage and combine leverage of two companies. Dividend on Equity capital is 18% and Tax Rate 30%. Find out the impact of leverages of Cost of Capital

Q.2

A) Royal Ltd issues Rs. 100 lakhs, 14% Debentures of Rs. 100 each at par redeemable at par. Floatation cost 10%, Tax rate 40%. Calculate cost of Debentures if the debentures are redeemed each year beginning with the end of year 1 in the proportion of 10%, 10%, 20%, 30% and 30%.
Consider Discounting factor for calculation of present value @ 10% and 15%. (15) CO2

OR

B) Amar Ltd has on its books the following amounts and specific costs of each type of capital: (15) CO2

Particulars	Book value	Market Value
Equity	12,00,000	24,00,000
8% Preference Capital	2,00,000	2,20,000
5% Debentures	8,00,000	7,60,000
Retained earnings	4,00,000	----
	26,00,000	33,80,000

Cost of equity is 13% and cost of retained earnings is 9%
You are required to find out weighted average cost of capital and comment on it.

Q.3

A) M/s Radhakrishna ltd provides following information regarding projects under consideration. Net profit before Depreciation and tax are expected as follows: (15) CO3

Year	Project A	Project B
1	3,85,000	1,55,000
2	3,56,000	1,90,000
3	2,92,000	2,55,000
4	2,50,000	3,10,000
5	2,10,000	4,05,000

Cost of Project A is Rs. 5,60,000 and expected scrap value is Rs. 60,000, where as cost of Project B is Rs. 4,35,000 and expected scrap value is Rs. 35,000. Both the project have useful life of 5 years.

Considering discounting factor @ 12% p.a. and tax rate 30%. Assess the project under following methods and give justification for acceptance of any of the above project.

a) Discounted Payback Period
b) Payback Profitability
c) Net Present value

OR

B) Divisional Profits before Depreciation and Operating Expenses of M/s Vivo ltd are as follows: (15) CO4

Division	Profit before Depreciation and Operating Expenses	Operating Expenses	Fixed Assets	Current Assets
A	35,00,000	10,20,000	90,00,000	35,00,000
B	38,50,000	12,20,000	1,10,00,000	25,00,000
C	28,90,000	13,00,000	85,00,000	40,00,000
D	30,30,000	11,50,000	95,00,000	30,00,000

	The controller of M/s Vivo ltd has suggested management to switchover to economic value added (EVA) as criterion rather than return on assets. Useful life of fixed assets is 10 years. Compute and tabulate both return on asset (ROI) and EVA. Give your comment.		
Q.4	Answer the following (3 X 5 Marks)	(15)	
	A) Explain the Net Income Approach of Capital Structure Theory		CO1
	B) MM Ltd issued 100 lakhs 15% Debentures of Rs. 100 each. Tax rate is 40% Calculate the cost of Debentures if: - Debentures are issued at par. - Debentures are issued at par with 5% floatation cost. - Debentures are issued at 10% premium with 5% floatation cost.		CO2
	C) From the following information calculate market value Added of the firm: - Price Earning Ratio = 8 times - Equity Capital = Rs. 10,00,000 (F.V. 100) - Net profit After Tax = Rs. 12,00,000 - Retain Earnings = 2,50,000		CO4

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)

Programme code: 02
Programme: Accounting & Finance
Class: TY
Semester: V
Name of the Constituent College: S.K.Somaiya College
Name of the Department: Accounting and Finance
Course Code: 131U02V501
Name of the Course: Financial Management – II
Duration : 2 Hrs.
Maximum Marks : 60

Instructions: 1) figure to right indicate marks
2) Use of Simple Calculator is allowed.

Q. No.		Max Marks	Co

Q.1

A) The following figures are extracted from the books of M/s Xyz and Co. (15) CO1

Net Sales = 15 Crores, EBIT as % of Net Sales = 12%

Capital Employed:

a) Equity share Capital = 5 Crore
b) 13% Preference Share Capital = 1 Crore
c) 15% Debts = 3 Crore
Tax Rate = 40%

Calculate: 1) Return on Equity 2) Operating Leverage 3) Financial Leverage Given that Combine Leverage is 3.

OR

B) Find out operating, financial and combine leverage under situations A,B and C and Financial Plans I, II, III respectively. (15) CO1

Particulars	Amount (Rs)		
Installed Capacity (No of Units)	1,200		
Actual Production and Sales (No. of units)	800		
Selling price Per Unit (Rs.)	15		
Variable cost Per Unit (Rs.)	10		
Fixed Cost (Situation A)	1,000		
Fixed Cost (Situation B)	2,000		
Fixed Cost (Situation C)	3,000		
Financial Plan	I	II	III
Equity (Rs.)	5,000	7,500	2,500
12% Debts (Rs.)	5,000	2,500	7,500

Q.2

A) Manish Ltd issues Rs. 100 lakh, 14% Preference Shares of Rs. 100 each at par redeemable at par, cost of floatation 10%. Dividend tax rate is 20%. Calculate the cost of Preference Shares if 20% preference shares are redeemable each year beginning at the end of year 1.
Given that discounting rate to be considered @15% and 20% on trial-and-error basis. (15) CO2

OR

Find the cost of Capital in following cases: (15) CO2
Titan Ltd issued 100 lakhs 14% preference shares of Rs. 100 each redeemable at par after 5 years. The dividend tax rate is 20%.

a) Calculate the cost of Preference shares.
b) Calculate the cost of Preference Shares if the issue is at par with 10% floatation cost.
c) Calculate the cost of Preference shares if the issue is at 10% premium with 5% floatation cost.

Q.3

A) Tanmay Ltd provides you following information regarding sales and expenses on installation of two different machines. (15) CO3

Particulars	Machine Auto Pro	Machine Tech Pro
Cost of Machine	20,80,000	25,50,000
Scrap Value	80,000	50,000
Life in Years	10 years	10 years
Expenditure on Account of : Power Consumption Consumables Repairs and Maintenance	 1,40,000 1,85,000 1,55,000	 2,85,000 2,10,000 2,75,000
Material required per unit of output	2 unit	3 unit
Cost per unit of material	5/-	2/-
Machine running hours per annum	3,000 Hrs	3,000 Hrs
Units of output per machine hour	40	60
Selling price per unit	18	15
Tax rate	30%	30%

Advice management regarding purchase of any of the two machine on the basis of following methods:

a) Payback Period
b) Accounting rate of return (Consider profit after Tax)

OR

B) R.K.Industries Ltd is engaged in engaged in textile business. Its income statement and balance sheet are given below: Income Statement for the year ended on 31.3.2020 (15) CO4

Particulars	Amount
Sales Revenue	24,000
Less: Cost of Production	18,000
PBIT	6,000
Less: Interest on Loan	40
PBT	5,960
Less: Tax @ 30%	1,788
Earning After Tax	4,172

Balance Sheet As on 31.3.2020

Liabilities	***Amount***	***Assets***	***Amount***
Equity Share Capital (Rs. 10 each)	800	Land and Building Plant & Machinery	400 800
Reserves & Surplus	600	Debtors	400
10% Bank Loan	400	Stock	300
Creditors	200	Cash and Bank	100
	2,000		2,000

a) The companies weighted average cost of capital is 15%
b) The company is listed on BSE and has a P/E ratio is 6 times
You are required to calculate i) Value of the firm ii) EVA and iii) MVA

Q.4 Answer the following (3 X 5 Marks) (15)

a) Explain the Modigliani Miller approach in Capital Structure Theories CO1

b) Company A has two options under consideration. CO3
Machine A with a cost of Rs. 3,00,000 and Machine B with a Cost of Rs. 6,00,000. Life of both the machines are 5 years and 4 years respectively.

Cash inflow of Machine A is Rs. 1,00,000 p.a. and that of Machine B is Rs. 1,50,000 p.a. find out payback profitability and advice regarding acceptance of proposal.

c) Following information is extracted from the records of Iron Ltd on 31.3.2022 CO4

Equity Share Capital (Rs. 10/ per share)	15,00,000
Retained Earning	2,00,000
Net Operating Profit After Tax	5,00,000
Price Earning Ratio	5 Times

Find out Market Value Added (MVA)

C

SOMAIYA
VIDYAVIHAR UNIVERSITY

October 2022
Examination: Semester Examination (UG Programmes)

Programme code:
Programme: BAF
Class: TY BAF
Semester: V
Name of the Constituent College: S.K Somaiya College
Name of the Department: Accounting and Finance
Course Code: 131402V501
Name of the Course: Financial Management - II
Duration: 2 Hr.
Maximum Marks: 60
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary

Question No.		Max. Marks
Q1	Attempt the following:	
a.	Vijay Ltd. has the following balance sheet and income statement:	(15)

Balance Sheet as on 31-3-2021

Liabilities	Rs.	Assets	Rs.
Equity Share Capital (Rs. 10 each)	10,00,000	Fixed Assets (net)	20,00,000
Retained Earnings	8,00,000	Current Assets	18,00,000
10% Debentures	10,00,000		
Current Liabilities	10,00,000		
	38,00,000		38,00,000

Income statement for the year ended 31-3-2021

	Rs.
Sales	6,80,000
Less: Operating Expenses (including 60,000 as Depreciation)	2,40,000
EBIT	4,40,000
Less: Interest	1,00,000
EBT	3,40,000
Less: Taxes @ 30%	1,02,000
EAT	2,38,000

Required:
a) Determine the degree of operating, financial and combined leverages at the current sales level, if all operating expenses other than depreciation are variable costs.
b) If total assets remain at the same level, but sales:
i) increase by 20 per cent and
ii) decrease by 20 per cent.
iii) What will be the earnings per share at the new sales levels?

OR

a. The Net Sales of Apex Co. are Rs. 15 crores. EBIT of the Company as a percentage of Net Sales is 10%. The Capital Employed comprises Rs. 5 crores of equity, Rs. 1 crore of Cumulative Redeemable Preference Shares bearing 13% rate of dividend and Debt Capital of Rs. 3 crores at an annual interest rate of (8)

15%. Corporate Income Tax Rate is 40%.
Required
i) Calculate the Return on Equity (ROE) for the Company and indicate its segments due to the presence of Preference Share Capital and Debt Capital.
ii) Calculate the Operating Leverage of the Company given that its Combined Leverage is 3.

b. The Income Statement of CRL Ltd. is given below: You are required to calculate a) Operating leverage, b) Financial leverage and c) Combined leverage. (7)

Income Statement for the year ended 31-12-2021

	Rs.
Sales	21,00,000
Variable Cost	15,00,000
Fixed Cost	1,00,000
Interest	1,40,000
Tax	33%

Q2 Attempt the following:

a. A sum of ₹ 250,000 invested today in an IT project, may give a series of cash inflows in future as described below. Calculate the payback and discounted payback period. ₹ 50,000 in year 1 | ₹ 90,000 in year 2 | ₹ 1,00,000 in each of year 3 | ₹ 1,00,000 in each of year 4 | ₹ 30,000 in year 5 (8)

b. Consider Company XYZ whose shareholders' equity amounts to ₹ 87,50,000. The company owns 5,000 preferred shares and 100,000 common shares outstanding. The present market value for the common shares is ₹ 120.50 per share and ₹ 100 per share for the preferred shares. Calculate MVA? (7)

OR

a. ABC Ltd is a small company that is currently analysing capital expenditure (15)

Initial Investment	Project A	Project B	Project C	Project D	Project E
Projected Cash inflows	2,16,280	1,95,150	3,50,800	4,10,900	5,10,100
Years 1	55,000	40,000	75,000	75,000	65,000
2	55,000	50,000	75,000	75,000	85,000
3	55,000	70,000	60,000	60,000	63,800
4	55,000	75,000	80,000	40,000	30,000
5	55,000	75,000	1,00,000	20,000	22,000
6	55,000	78,000	95,000	22,500	22,500

proposals for the purchase of equipment, the company uses the net present value technique to evaluate projects. The capital budget is limited to ₹ 5,25,000 which ABC Ltd believes is the maximum capital it can raise. The initial investment and projected net cash flows for each project are shown below. The cost of capital of ABC Ltd is 12.25%. You are required to compute the NPV of the different projects.

Q3 Attempt the following:

a. Two companies, A and B are in the same business and hence similar operating (8) risks. However, the capital structure of each of them is different. The following are the details:

Particulars	A (Rs.)	B(Rs.)
Equity Share Capital (face value Rs.10)	6,00,000	4,00,000
Market value per share	10	22
Dividend per share	3.00	4.20
Debentures	3,50,000	2,00,000
Market value per debenture	85	130
Interest Rate	8	10

Assume that current levels of dividends are generally expected to continue indefinitely and the income tax rate is 40 percent. Compute the weighted Average Cost of capital of each company.

b. Compute the cost of capital of 13% debentures issued by Ajay (P) Ltd., face value of ₹ 100, amount of ₹ 5,00,000, in following situation. The life of debenture is 7 years. (7)

(i) Issued at par, redeemable at par.
(ii) Issued at 10% premium.
(iii) Issued at 10% discount.

OR

a. Indebted Ltd. issued 10,000, 10% Debentures of 100 each, redeemable in 10 years' time at 10% premium. The cost of issues was 25,000. The Company's Income Tax Rate is 35%. Determine the Cost of Debentures, if they were issued - (a) at par, (b) at a premium of 10%, and (c) at a discount of 10%. (8)

b. Compute the cost of capital of 12.25% debentures issued by Vikas (P) Ltd., face value of ₹ 10, amount of ₹ 2,00,000 in following situation. The life of debenture is 8 years. (7)

(i) Issued at par, redeemable at par.
(ii) Issued at 12% premium.
(iii) Issued at 15% discount.

Q4 (a) Fill in the blanks (10)

1 ………………… costs are those, which are partly fixed and partly variable.
2 Combined leverage is equals to ………………… leverage multiplied by financial leverage.
3 Investor defines Cost of capital as "the measurement of the sacrifice made by him in …………………
4 High operating leverage is good when ………… are rising and bad when they are falling.
5 ………………… is the cost of capital that is expected to raise funds to finance a capital budget or investment proposal.
6 Cost of preference share is the …………… that equates the present value of cash inflows with the present value of cash outflows.
7 A high financial leverage means high fixed financial cost and high financial ……………
8 …………… cost is not relevant cost in capital budgeting.
9 …………… is the formula to calculate economic value added.
10 Risk is associated with the …………… of future returns of a project.

Q4 (b)	State whether the following statements are true or false:	(5)
1	The NPV method of evaluating projects considers all cash flows.	
2	Capital budgeting is done when equity shares are issued.	
3	Capital investments typically require large sums of money.	
4	Short-term unsecured debentures are not popular among India corporates.	
5	Opportunity cost is relevant cost in capital budgeting.	

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End - October 2023
Examination: End Semester Examination October/November 2023 (UG - Programmes)

Programme code: 02 **Programme:** Accounting and Finance	**Class:** TY	**Semester:** V
Name of the Constituent College: S K Somaiya College, Somaiya Vidyavihar University	**Name of the Department:** Accounting and Finance	
Course Code: 131U02K501	**Name of the Course** : Research Methodology	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions:
1) Figures to the right indicate full marks for each question.

Question No.		**Max. Marks**	**Co Attainment**
Q.1	a) What is Research? Explain the objectives of the research.	**08**	CO1
	b) Distinguish between Inductive approach and Deductive approach	**07**	CO1
	OR		
	c) Explain the various steps in the research process.	**08**	CO1
	d) Explain the features of Good Research Design.	**07**	CO2
Q.2	a) Explain the various types of Research Design.	**08**	CO2
	b) What is a Hypothesis? Explain the Sources of the Hypothesis.	**07**	CO2
	OR		
	c) Explain the various probability methods of sampling	**08**	CO3
	d) Explain the various Types of Questionnaires.	**07**	CO3
Q.3	a) Explain the various levels of measurements in research.	**08**	CO4
	b) Explain the various prerequisites of the Interpretation of data.	**07**	CO5
	OR		
	c) Explain the types of research reports.	**08**	CO5
	d) Explain the stages of Report Writing	**07**	CO5
Q.4.	Conceptual Questions: (Attempt any 3 out of 5)	**15**	
a)	Referencing		CO5
b)	Rating Scale		CO4
c)	Secondary Data		CO3
d)	Descriptive Hypothesis		CO2
e)	Research Problem		CO1

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023) **Examination: End Semester Examination October/November 2023 (UG/PG Programmes)**		
Programme code: 3 **Programme: BAF**	**Class:** TY	**Semester:** V
Name of the Constituent College: S K Somaiya college	**Name of the Department** Accounting and Finance	
Course Code: 131U03K501	**Name of the Course: Research Methodology**	
Duration : 2 Hrs.	**Maximum Marks : 60**	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3)		

Question No.		**Max. Marks**	**Co Attainment**
Q.1	a. Describe Research problem and elaborate State the applications of research problem.	8	CO 1
	b. Distinguish between Inductive and Deductive research on the basis of its methods.	7	CO 1
	OR		
	c. Assume you are a financial analyst and want to know the investment opportunity in mutual funds of Banks. Draw at least five hypotheses to inform people regarding the investment in mutual funds.	15	CO 2
Q.2	a. State and explain the principles of sampling and relate them to the examples taken from financial research.	15	CO 3
	OR		
	b. Describe the Probability sampling techniques in detail and explain with one example of each.	15	CO 3
Q.3	a. Elaborate the test of sound measurement with the help of suitable situation for your research.	15	CO 4
	OR		
	b. Describe the most frequently used scale for measurement of your data and state their importance in financial research.	8	CO 4
	c. Explain t- test and give a suitable example	7	CO 4

Q.4	a. "Writing a research report requires great care". Justify this statement with the help of writing preliminary pages, main text and endnotes in the layout of writing a research report. **OR** b. Oral presentation is an important part of a report. Elaborate this statement by explaining the importance of oral presentation.	15 15	CO 5 CO 5

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End - October 2023
Examination: End Semester Examination October/November 2023 (UG - Programmes)

Programme code: 02
Programme: Accounting and Finance | **Class:** TY | **Semester:** V
Name of the Constituent College: S K Somaiya College, Somaiya Vidyavihar University | **Name of the Department:** Accounting and Finance
Course Code: 131U02K501 | **Name of the Course** : Research Methodology
Duration : 2 Hrs. | **Maximum Marks : 60**
Instructions:
1) Figures to the right indicate full marks for each question.

		Max. Mark	Co Attainment
Q.1	a) What is Research Problem? Explain the criteria of a Good Research Problem.	08	CO1
	b) Explain the various types of research	07	CO1
	OR		
	c) Explain the Selection and Formulation of Research Problem.	08	CO1
	d) Explain the various steps for the formulation of hypothesis.	07	CO2
Q.2	a) Explain the features of Good Research Design.	08	CO2
	b) What is Sample? Explain the features of Sample.	07	CO3
	OR		
	c) What is Interview techniques in Business Research? Explain its types.	08	CO3
	d) What is Primary Data? Explain its advantages and disadvantages.	07	CO3
Q.3	a) Explain the various levels of measurements in research.	08	CO4
	b) Explain the various types of Rating Scale.	07	CO4
	OR		
	c) What do you mean by Bibliography? Explain its Significance.	08	CO5
	d) Discuss the Evaluation of Research Report.	07	CO5
Q.4.	Conceptual Questions: (Attempt any 3 out of 5)	15	
a)	Interim Report		CO5
b)	Test of Reliability		CO4
c)	Questionnaire		CO3
d)	Null Hypothesis		CO2
e)	Quantitative Research		CO1

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End - October 2023
Examination: End Semester Examination October/November 2023 (UG - Programmes)

Programme code: 02 **Programme:** Accounting and Finance	**Class:** TY	**Semester:** V
Name of the Constituent College: S K Somaiya College, Somaiya Vidyavihar University	**Name of the Department:** Accounting and Finance	
Course Code: 131U02K501	**Name of the Course** : Research Methodology	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions:
1) Figures to the right indicate full marks for each question.

		Max. Mark	Co Attainment
Q.1	a) Explain the significance of research.	08	CO1
	b) Explain the various types of research	07	CO1
	OR		
	c) Distinguish between quantitative research and qualitative research.	08	CO1
	d) Explain the various types of Hypotheses.	07	CO2
Q.2	a) Explain the various steps of Research Design.	08	CO2
	b) Discuss the Sampling Process in detail.	07	CO3
	OR		
	c) What is data collection? Explain the techniques of data collection	08	CO3
	d) Explain the various steps to be followed for the Designing Questionnaire.	07	CO3
Q.3	a) What is the concept of scale? Explain the various types of Rating Scale.	08	CO4
	b) Explain the Importance of Interpretation of data.	07	CO5
	OR		
	c) Explain the essentials of good research report.	08	CO5
	d) Explain the various types of referencing.	07	CO5
Q.4.	Conceptual Questions: (Attempt any 3 out of 5)	15	
a)	Bibliography		CO5
b)	Ordinal Scale		CO4
c)	Primary Data		CO3
d)	Structured Interview		CO2
e)	Inductive Research		CO1

B

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)

Programme code: 03 **Programme: Accounting & Finance**	**Class:** TY	**Semester:** V
Name of the Constituent College: **S.K.Somaiya College**	**Name of the Department:** **Accounting and Finance**	
Course Code: 131U03C503	**Name of the Course: Direct Tax II**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions: 1) figure to right indicate marks
2) Use of Simple Calculator is allowed.

Q. No.		Max Marks	Co
Q.1			
A)	The following details of income of Mr. Umesh and Mrs. Uma – his wife, for the Assessment year 2023-24 are made available to you:	(8)	CO1

Particulars	Mr. Umesh	Mrs. Uma
Income from own Business/Profession	2,40,000	1,80,000
Income from Other Sources	4,20,000	2,20,000
Interest Received from ABC and Co	40,000	8,20,000
Salary Received from ABC and Co (Taxable)	1,92,000	1,68,000

Mr. Umesh and Mrs. Uma are partners in ABC and Co. each having 10% share of profit. Determine the Total Income of Mr. Umesh and Mrs. Uma. Mr. Uma does not posses any technical or professional qualification.
Will your answer change if any one of them hold 8% of shares in profit of ABC and co.

B) Mr. Omkesh furnishes you the following details of his income for the year ended on 31.3.2023 (7) CO2

Particulars	Amount
Short Term Capital Gain	2,80,000
Loss from Speculative Business	1,20,000
Long term capital gain on sale of land	60,000
Long term capital gain on sale of unlisted shares	2,00,000
Income form business of Taxtile	1,00,000
Income from activity of owning and maintaining Race Horses	30,000
Income from Salary	2,00,000
Loss From House Property	80,000

Loss brought forward from Assessment year 2020-21 from Race horses is Rs. 50,000 and Business loss of textile business from Assessment year 2018-19 is Rs. 1,20,000
Compute gross total income of Mr. Omkesh and losses to carry forward after set off is claimed for the Assessment Year 2023-24

OR

C) Miniature and co is a partnership firm consisting of three partners Akash, Prakash and Vikash sharing profits and losses equally. Following is the profit (8) CO3 and loss account for the year ended on 31.3.2023

Particulars	Amount	Particulars	Amount
To Cost of Sales	3,55,500	By Sales	8,75,000
To Repairs	74,500		
To Advertisement	24,250		
To Salary to Partner	2,10,000		
To Interest on Capital	90,000		
To Depreciation	12,750		
To Net Profit	1,08,000		
	8,75,000		8,75,000

Additional Information:

a) Repairs include Rs. 30,000 paid to Mr. Keval on 31.5.2022 in cash.
b) Allowable depreciation u/s 32 is Rs. 15,750.
c) Partners are entitled for equal amount of salary.
d) Interest on Capital is paid @ 20% equally to all partners.

Akash and Prakash are working partners and entitled to receive salary as per partnership deed.

Calculate taxable income and tax liability of Partnership firm for the Assessment year 2023-24.

D) Mr. Yash is the Karta of HUF whose members derive income as follows: (7) CO1

a) Income of Mr. Yash form his retail business Rs. 90,000
b) Salary income of Mrs. Yash as an accountant from Birla associates Rs. 2,50,000
c) Amount deposited by Mrs. Yash in the name of Ivan-minor son Rs. 2,00,000. Interest received during the year 22,000.
d) Income earned by Ira for participating in dance competition Rs. 51,000
e) Dividend from Indian company earned by Ishwar Rs. 5,000. Amount invested in shares by Mr. Yash

Explain with reason the provision of clubbing of income.

Q.2

A) Discuss the TDS applicability in following cases: (8) CO5

1) Mr. Avinash liable for tax audit u/s 44AB, taken on lease factory building on monthly rent of Rs. 30,000 from Mr. Chirag on 1st July 2022

2) M/s KK ltd made payments on various dates of financial year 2022-23 to PP Ltd towards work done under different contracts as follows:

Contract No	Date	Amount
102	05-05-2022	28,150
201	10-07-2022	26,850
304	21-12-2022	29,000
408	25-03-2023	18,350
501	20-04-2023	25,500

B) Mr. Hasmukh estimates taxable business income of Rs. 5,85,000 and Interest income of Rs. 1,25,000 for the previous year 2022-23. Calculate his tax liability. Whether he is liable to pay any advance tax, if yes, calculate instalment of advance tax payable by him. (7) CO5

OR

C) Mantra Ltd has determined its tax liability of Rs. 8,00,000 for the year 2022-23. Following are the instalments of advance tax paid by it on various dates: (8) CO5

Date	Amount
11.06.2022	1,00,000
15.09.2022	2,70,000
11.12.2022	1,35,000
15.03.2023	2,00,000

Balance tax is paid by Mantra Ltd on due date while filing the income tax return. Calculate the amount of interest payable under section 234A, 234B and 234C of the Income Tax Act, 1961.

D) Explain the provisions of TDS in following cases: (7) CO5

1) Mr. Manthan is a professional person, who receives the amount of Rs. 35,000 towards professional services and Rs. 28,000 towards royalty. Discuss T.D.S. provisions applicability.
2) Taxable salary of Mr. Dinesh is Rs. 8,95,000 during the year 2022-23. Find the amount of TDS per month to be deducted by employer.

Q.3

A) Mohnish an individual, resident in India, receives the following payments after TDS during the previous year 2022-23: (15) CO6

- Professional Fees received on 20-09-2022 Rs. 3,50,000 (TDS Rs. 50,000)
- Professional Fees received on 30-10-2022 Rs. 1,80,000 (TDS Rs. 20,000)
- Professional Fees received on 05-01-2023 Rs. 90,000 (TDS Rs. 10,000)

The above services were rendered in Australia. He had incurred an expenditure of Rs. 2,50,000 for earning above receipts. His income from professional services provided in India is Rs. 6,50,000. He invested following amounts:

a) Deposited in Public Provident Fund Rs. 1,10,000
b) Deposited in National Saving Certificate Rs. 75,000
c) Medical Insurance for self and Family Rs. 35,000

Find the tax liability of Mohnish and the relief under section 91, if any, for the assessment year 2023-24.

OR

B)

1) Explain the Terms Tax Evasion and Tax Avoidance. How they differ from each other. (8) CO7
2) Explain the term Defective return and Belated Return (7) CO7

Q.4 Answer the following: (5 X 3 marks) (15)

a) Ms. Kanchan has opted for presumptive taxation under Section 44AD. Her gross business receipts are as follows: CO5
   - Accepted in cash Rs. 50,00,000
   - Accepted in digital payments Rs. 30,00,000

Calculate amount of tax payable and due date for payment of advance tax.

b) Sumit is the owner of 12 heavy vehicles and engaged in plying and carriage of goods. He received Rs. 2,55,000 during the year 2022-23 from M/s Carbon Ltd under a contract. Is he liable for TDS. CO5
Also explain the TDS applicability if he owns only 8 vehicles.

	c) Mr. Amit, aged 65 years, has taxable business income of Rs. 7,00,000 and taxable other source income of Rs. 1,00,000. Is he liable to pay advance tax, if yes, explain why. Which ITR he should use.		CO4
	d) Mr. Raj is liable for tax audit u/s 44AB and suffers a business loss of Rs. 40,000. He filed income tax return on 1st January, 2024. Explain the provision for filing of ITR and consequences of filing return after due date.		CO4
	e) Explain the provisions of section 139 for filing of compulsory return of income for assessment year 2023-24		CO4

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG Programmes)

Programme code: **Programme: ACCOUNTING AND FINANCE**	**Class:** T.Y.B.A.F	**Semester:** ~~III~~ V
Name of the Constituent College: S K SOMAIYA	**Name of the Department :** ACCOUNTING & FINANCE	
Course Code:	**Name of the Course: DIRECT 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**
Q.1.A.	Raja gifts ₹ 2 lakh to his wife on 1-4-2022 which she invests in a firm on interest @ 18% p.a. On 1-1-2023, Mrs. Raja withdraws the money and gifts it to their son's wife. She claims that the interest which has accrued to the daughter – in – law from 1-1-2023 to 31-3-2023 on the investment made by the daughter – in – law is not assessable in her hands but in the hands of Raja. Is this correct? What would be the position, if Mrs. Raja had gifted the money to their minor son, instead of the daughter – in – law? **OR**	(15)	CO1
Q.1.B.	Miniature and co is a partnership firm consisting of three partners Akash, Prakash and Vikash sharing profits and losses equally. Following is the profit and loss account for the year ended on 31.3.2023	(08)	C03

Particulars	Amount	Particulars	Amount
To Cost of Sales	3,55,500	By Sales	8,75,000
To Repairs	74,500		
To Advertisement	24,250		
To Salary to Partner	2,10,000		
To Interest on Capital	90,000		
To Depreciation	12,750		

To Net Profit	1,08,000		
	8,75,000		8,75,000

Additional Information:

a) Repairs include Rs. 30,000 paid to Mr. Keval on 31.5.2022 in cash.

b) Allowable depreciation u/s 32 is Rs. 15,750.

c) Partners are entitled for an equal amount of salary.

d) Interest on Capital is paid @ 20% equally to all partners.

Akash and Prakash are working partners and entitled to receive salary as per partnership deed.Calculate taxable income and tax liability of Partnership firm for the Assessment year 2023-24.

Q.1.C

Mr. Yash is the Karta of HUF whose members derive income as follows:

(7) CO1

a) Income of Mr. Yash form his retail business Rs. 90,000

b) Salary income of Mrs. Yash as an accountant from Birla associates Rs. 2,50,000

c) Amount deposited by Mrs. Yash in the name of Ivan-minor son Rs. 2,00,000. Interest received during the year 22,000.

d) Income earned by Ira for participating in dance competition Rs. 51,000

e) Dividend from Indian company earned by Ishwar Rs. 5,000. Amount invested in shares by Mr. Yash

Explain with reason the provision of clubbing of income.

Q.2.A

Money Bhai is an investor in share market and he has suffered short term capital losses of Rs. 3,00,000 in the previous year 2021-22. He also sold a house property and earned long term capital gain of Rs. 2,10,000. Compute the net taxable income of Moneybhai assuming he has income from other sources of Rs. 1,40,000 and also PPF contribution of Rs. 1,00,000 in the previous year 2021-22.

(7) CO2

Q.2.B.

Mr. Rahul Dravid has earned professional income of Rs 5,00,000 from cricket coaching and commentary in the year 2021-22. He also suffered losses to the tune of Rs 7,00,000 from a new hotel started under the brand “Jammy” in the same year. He had a speculative business gain of Rs 1,80,000 and income from other source to the tune of Rs. 46,000. Determine how the losses shall be set off and which losses can be carried forward and for how many years if any?.

(8) CO2

OR

Q.2.C.

Mantra Ltd has determined its tax liability of Rs. 8,00,000 for the year 2022-23. Following are the instalments of advance tax paid by it on various dates:

(8) C03

Date	Amount
11.06.2022	1,00,000
15.09.2022	2,70,000
11.12.2022	1,35,000
15.03.2023	2,00,000

Balance tax is paid by Mantra Ltd on due date while filing the income tax return. Calculate the amount of interest payable under section 234A, 234B and 234C of the Income Tax Act, 1961.

Q.2.D. | (07) | C05

Explain the provisions of TDS in following cases:

1) Mr. Manthan is a professional person, who receives the amount of Rs. 35,000 towards professional services and Rs. 28,000 towards royalty. Discuss T.D.S. provisions applicability.
2) Taxable salary of Mr. Dinesh is Rs. 8,95,000 during the year 2022-23. Find the amount of TDS per month to be deducted by employer.

Q.3.A | (15) | CO2

Mrs. Amutha submits the following information for the year ending 31.3.2023:

Particulars	₹
Income from salaries (computed))	60,000
Income from house property	
House 1	16,000
House 2	(–)20,000
House 3 (self – occupied property]	(–)12,000
Profits and gains of business/profession	
Business A	(–)25,000
Business B (Speculative)	35,000
Capital gains	
Short term capital loss	(–)18,000
Long term capital gain	10,000
Income from other sources	
Income from betting	9,000
Loss on maintenance of race horses	(–)12,000
Interest on securities (gross)	18,000

Interest on loan borrowed to invest in securities	20,000

Determine the gross total income for the AY 2023-24.

OR

Q.3.B. Discuss the TDS applicability in following cases: (8) CO5

a) Mr. Avinash liable for tax audit u/s 44AB, taken on lease factory building on monthly rent of Rs. 30,000 from Mr. Chirag on 1st July 2022

b) M/s KK ltd made payments on various dates of financial year 2022-23 to PP Ltd towards work done under different contracts as follows:

Contract No	Date	Amount
102	05-05-2022	28,150
201	10-07-2022	26,850
304	21-12-2022	29,000
408	25-03-2023	18,350
501	20-04-2023	25,500

Q.3.C. Mr. Hasmukh estimates taxable business income of Rs. 5,85,000 and Interest income of Rs. 1,25,000 for the previous year 2022-23. Calculate his tax liability. Whether he is liable to pay any advance tax, if yes, calculate installments of advance tax payable by him. (7) C04

Q.4 Answer the following :[5 X 3marks each] (15) CO1

a) Mr. Roy an Indian citizen has been working with a multinational company in Japan from last 1 year. During the year he earned salary income of Rs. 5,00,000 on which the company charged tax of Rs 28,000 in Japan. Now that Japan has a double taxation avidance agreement with Indian government please guide how the said income shall be taxable in India.

b) Miss Meghna earned salary income of Rs 120000 during the previous year 2022-23. She also suffered a business loss of Rs 2,00,000 during the previous year. Decide how to set off the business loss and can the loss be carried forward? If yes, discuss for how many years it can be carried forward?

c) Sunita is a partner in a partnership firm for whom tax audit is compulsory under relevant provisions of income tax act . she claims that she can file her return till 31st October instead of 31st July. Is her contention valid ? will your answer differ if tax audit is not compulsory for her partnership firm?

d) Ms. Kanchan has opted for presumptive taxation under Section 44AD. Her gross business receipts are as follows:

- Accepted in cash Rs. 50,00,000
- Accepted in digital payments Rs. 30,00,000

	Calculate amount of tax payable and due date for payment of advance tax. e) Mr. Raj is liable for tax audit u/s 44AB and suffers a business loss of Rs. 40,000. He filed income tax return on 1st January, 2024. Explain the provision for filing of ITR and consequences of filing return after due date.		

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to October 2023)
Examination: End Semester Examination October/November 2023 (UG Programmes)

Programme code: 02 **Programme: BAF**	**Class:** TY	**Semester:** V
Name of the Constituent College: **S. K. Somaiya College**	**Name of the Department**: Accounting and Finance	
Course Code: 131U02V504	**Name of the Course: Strategic Management**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

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

Question No.		Max. Marks	Co Attainment
Q.1 (a)	Discuss the term "Environment" in context to business. Enumerate the different components of business environment that affect the management of the organization.	(15)	CO 1
	OR		
Q.1 (b)	Evaluate the historical role & emerging role of business environment in India.	(15)	CO 1 & 4
Q.2 (a)	Design a vision, mission, objectives and goals of an organization of your choice.	(15)	CO 1 & 2
	OR		
Q.2 (b)	Identify Cultural products at your college or university. Do these products, viewed collectively or separately, represent a strength or weakness for the organization.	(8)	CO 2 & 3
Q.2 (c)	Use Porter's five forces model to evaluate competitiveness within Indian Banking Industry.	(7)	CO 2 & 3
Q.3 (a)	Discuss the term Strategic Evaluation & Control with the steps in Strategic Evaluation & Control.	(8)	CO 3
Q.3 (b)	Discuss the Importance in allocation of resources in a newly formed organization.	(7)	CO 3 & 4
	OR		
Q.3 (c)	Discuss the economic losses that occurred due to natural disasters?	(8)	CO 4
Q.3 (d)	Categorize how does formulation of strategy differ for a small	(7)	CO 1 & 2

	versus a large organization		
Q.4 (a)	You have your own soft drink making company, which is trying to focus more on making drinks rather than making bottles and canes, i.e., you're planning for Outsourcing, "where the work can be done outside better than it can be done inside, we should do it." Interpret how BPOs & KPOs have positive impact on businesses.	(5)	CO 1 & 4
Q.4 (b)	Suppose you are planning to have your own new start-up of having a NBFC focusing on providing loans to college students. What challenges you would face to have startups in India.	(5)	CO 1 2 3 4
Q.4 (c)	As a manager of automobile company, you are supposed to analyze the Global Partnership between Suzuki & Toyota, using cross badging strategy, and interpret how does this collaboration is benefiting them.	(5)	CO 2 & 4

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Duration : 2 Hrs.	**Maximum Marks : 60**	

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

Question No.		**Max. Marks**	**Co Attainment**
Q.1 (a)	List out the advantages & disadvantages of beginning export operations in a foreign country.	(15)	CO 1 & 4
	OR		
Q.1 (b)	Discuss the term Environmental Scanning with the importance of environmental scanning in strategic management.	(10)	CO 1 & 2
Q.1 (c)	Illustrate the functional level strategy in detail.	(5)	CO 1 & 2
Q.2 (a)	Compare and contrast vision statements with mission statements in terms of compositions and importance.	(15)	CO 1 & 4
	OR		
Q.2 (b)	Make use of Mckinsey's 7's framework in Strategic Management.	(10)	CO 2 & 3
Q.2 (c)	Discuss the types of Mergers in detail	(5)	CO 2
Q.3 (a)	Elaborate the term Strategic Evaluation & Control with the problems in Strategic Evaluation & Control.	(8)	CO 2 & 3
Q.3 (b)	Discuss the Challenges in allocation the resources in a newly formed IT firm.	(7)	CO 3 & 4
	OR		
Q.3 (c)	Interpret the reasons for resistance to change in organization.	(8)	CO 3
Q.3 (d)	Discuss the strategies for managing & preventing disasters.	(7)	CO 4
Q.4 (a)	Mr. Hari is an owner of a small business and is planning to introduce a new strategy to motivate their employees, discuss how he would motivate managers and employees to implement a	(5)	CO 2 & 4

	major new strategy in his business.		
Q.4 (b)	Mr. Ryan is the CEO of LW Pvt limited and is planning to increase the company's level throughout the globe. Give your comments on the growth of strategic management in Indian organizations is basically due to the increased globalization of its business operations.	(5)	CO 1 & 4
Q.4 (c)	You are planning to have a new business based on Indian Manufacturing, As Make in India Initiative was launched in September 2014 with the objective of promoting India as the most preferred global manufacturing destination. Construct your opinion on how Make in India model has an impact on the growth of business sector.	(5)	CO 1 & 4

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Duration : 2 Hrs.	**Maximum Marks : 60**	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3)		

Question No.		**Max. Marks**	**Co Attainment**
Q.1 (a)	Elaborate the process of Strategic Management with relevant diagram & example.	(15)	CO 1 & 2
	OR		
Q.1 (b)	Discuss the term Environmental Scanning with the importance of environmental scanning in strategic management.	(10)	CO 1 & 2
Q.1 (c)	Illustrate the three hierarchical levels of strategy in detail.	(5)	CO 1 & 2
Q.2 (a)	Explain the formulation of corporate level strategies in detail.	(15)	CO 2 & 3
	OR		
Q.2 (b)	Formulate the structure of BCG Matrix with example.	(8)	CO 2 & 4
Q.2 (c)	Make a use of Porters five forces model of competition in detail.	(7)	CO 2 & 4
Q.3 (a)	Discuss the term Strategic Evaluation & Control with the techniques of Strategic Evaluation & Control.	(15)	CO 3
	OR		
Q.3 (b)	Interpret the ways to overcome the change in organization.	(8)	CO 3 & 4
Q.3 (c)	Elaborate the steps in Strategic Implementation.	(7)	CO 2 & 3
Q.4 (a)	Suppose you are working with an accountancy firm & there have been recent technological changes in the firm, explain how those changes would be affecting the strategies of the organization?	(5)	CO 1 & 4
Q.4 (b)	Suppose you are the team leader, and you are asked to prepare a plan for disaster management, as a process of effectively preparing for and responding to disasters. how you would	(5)	CO 1 2 & 4

Q.4 (c)	communicate with your team members for effective planning of disasters. Ms. Sonal is planning to have her own new start-up of selling ayurvedic tea. Analyze the key start up strategies that can be helpful for her to have a startup in India.	(5)	CO 1 & 4