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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-2023

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

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Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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		

Question No. | **Max. Marks**

Q.1. A Summarized balance sheet of ABC Ltd as on 31st March 2021 is as follows: (10)

Liabilities	Rs	Assets	Rs
60,000 Equity share capital of Rs 10 each fully paid up.	6,00,000	Goodwill	1,40,000
General Reserve	1,60,000	Plant and machinery	9,00,000
Profit and Loss A/c	3,60,000	Current assets	4,40,000
10% debentures	2,00,000	Preliminary Expenses	20,000
Current liabilities	1,80,000		
	15,00,000		**15,00,000**

Goodwill is revalued at Rs 1,00,000 and plant and machinery at Rs 8,40,000. A contingent liability of Rs 40,000 has become payable. Determine the value of share under net asset method.

Q.1.B. Z 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. company is controlled by few director and family members. Average rate of return is 18%. Calculate value of share of the company based on dividend approach. (5)

OR

Q.1.C. The balance sheet of B Ltd as on 31st March 2020 is given below: (5)

Liabilities	Rs	Assets	Rs
30000 Equity share capital of Rs 10 each fully paid up.	10,00,000	Land & Building	2,80,000
General Reserve	3,00,000	Motor car	4,60,000
14% Debentures	2,00,000	Plant & machinery	5,60,000
Sundry creditors	1,00,000	Debtors	1,20,000
Bank overdraft	80,000	Inventory	1,60,000
Provision for taxation	20,000	Cash and bank	40,000
		Patents and trademarks	60,000
		Preliminary expenses	20,000
	17,00,000		**17,00,000**

Earnings for the past four years is as under:

Year	2016-17	2017-18	2018-19	2019-20
Profits after taxation	2,40,000	3,00,000	4,20,000	4,60,000

20% profits are transferred to reserves. Assume Normal rate of return at 15% . on 31st March valuers assessed the value of assets as under :

Assets	Rs
Land and building	5,20,000
Motor car	8,00,000
Plant and machinery	6,40,000
Debtors	1,00,000
Patents and Trademarks	40,000

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

Q.2. A Explain the rationale behind mergers and acquisitions . (15)

OR

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

Particulars	C Ltd	D Ltd
Earnings after tax	20,00,000	10,00,000
No of equity shares	10,00,000	10,00,000
Earnings per share	4	2
Price Earnings ratio	20	10

1) Compute the market value of each company before merger.
2) Assuming that management of P Ltd offer one share of P Ltd for every four shares of Q Ltd , what shall be market value post-merger assuming there are no synergy benefits? What is the new price of the share? Are the shareholders of P Ltd better or worse off that they were before merger?

Q.3. A. Explain the causes of the subprime crisis and its effects on global market. (15)

OR

Q.3.B. PQR Ltd is planning to engage a factor agent who charges annually 5%. Total sales of the firm is 2 crores out of which 60% are credit sales. Average collection period is 73 days. Assume cost of capital at 12%. Employing factor agent will enable savings in collection cost of Rs 3,20,000. At the same debt bad debts will reduce from 2.5% to 1%. Average collection period will reduce to 50 days. Determine is it advisable to employ a factor agent. (8)

Q.3. C. A machine is offered on hire purchase basis with Rs 50,000 as down payment. Cash price of the machine is Rs. 2,00,000 and balance amount is paid in 3 equal instalments with interest at 15% per annum. Determine the hire purchase price paid for the machine after making a repayment schedule for same. (7)

Q.4 A. **Answer below mentioned questions:** (15)

Crown Ltd is a manufacturer of LED TV and enjoy a 20% market share. Presently there is shortage of LED Panels from the vendors. Hence they are lagging behind the expected production. This has delayed the deliveries to the distributors and as a result the sales have hit all time low in the last one year. The management is contemplating of buying Thomson Ltd a Chinese firm who specialize in manufacturing of LED Panels. They currently supply more than 50% of the LED panels to all leading manufacturers of TV such as LG , Samsung , Sony. Price quoted by the management of Thomson Ltd is at 50% premium. At the same time the acquisition will increase the production capacity

	of crown by more than 25% percent in the short term of 6months. This will improve the sales of the company . moreover the inhouse production of LED Panels will improve the overall profit margins due to lower production cost. Based on the above data answer the following questions: 1) What are the possible synergy benefits of acquisition? 2) Is the premium paid for acquisition justified ? 3) What non -financial factors shall be considered for this acquisition by the management?	

BAF
2023.

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VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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 indicates full marks.
3) Use of simple calculator is allowed.

Q. No. | Max. Marks

Q.1. From the following trial balance and additional information
Prepare a Balance Sheet of HDFC Bank Ltd. As on 31st March 2023 — 15

DEBIT	₹ in Lakhs	CREDIT	₹ in lakhs
Cash credits	2436.3	Share Capital [29,70,000 shares of ₹10]	594
Cash in hand	480.46		
Cash with RBI	135.64	Statutory Reserve	693
Cash with other Banks	265.62	Net Profit for the year [before appropriation]	450
Money at call & short notice	630.36	Profit & Loss a/c opening balance	1236
Gold	165.68	Fixed deposit accounts	1551
Government Securities	730.5	Saving deposit accounts	1350
Current Accounts	84	Current accounts	1560.36
Premises	267.1	Bills payable	0.30
Furniture	190.36	Borrowings from other Banks	330
Term Loan	2378.64		
	7764.66		**7764.66**

Additional Information's: -

1. Bills for collection: - ₹ 36,20,000.
2. Acceptance & Endorsements: - ₹ 28,24,000.
3. Claims against the bank not acknowledged as debts: - ₹ 1,10,000.
4. Depreciation charged on premises ₹ 2,20,000 & Furniture ₹ 1,56,000.

OR

Q.1. From the following information prepare Profit & Loss a/c of Dena Bank Ltd. As on 31-3-23 — 15

PARTICULARS	₹
Interest & Discount received	19,00,080
Interest paid on deposits	11,47,680
Issued & Subscribed capital	5,00,000
Salaries & Allowances	1,25,000
Directors Fees	17,500
Rent & Taxes paid	50,000

Postage & Telegrams	32,670
Statutory Reserve fund	4,00,000
Commission, exchange & brokerage	95,000
Rent received	36,000
Profit on sale of investment	1,12,900
Depreciation on assets	20,000
Statutory expenses	19,000
Preliminary expenses	15,000
Auditors' fees	6,000

Additional Information: -

1. A customer to whom a sum of ₹ 5 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 ₹ 1,00,000 was found necessary.
3. Rebate on bills discounted on 31st Mar. 2022 was ₹ 7,500 & on 31st March 2023 was ₹ 10,000.
4. Income tax of ₹ 1,00,000 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 Moksh Insurance Company Prepare final account for the year ended 31st March 2023: - 15

PARTICULARS	₹ in Lakhs	PARTICULARS	₹ in Lakhs
Marine Fund on 1/4/2022	37.2	Share Capital	36.00
Re insurance premium	4.48	Commission on Direct Business	12.00
Claims recovered from reinsurance	1.00	Commission on reinsurance accepted	2.40
Commission on reinsurance ceded	1.92	Outstanding premium	0.88
Advance Tax paid	10.00	Claims intimated but not paid [1/4/22]	2.40
Profit & Loss a/c [Cr.]	3.00	Expenses of management	17.20
General Reserve	18.00	Audit fees	1.44
Investments	144	Rent paid	0.96
Premiums	108	Income from Investment	6.12
Claims Paid	24.00	Cash	11.28
Creditors	0.88		

Adjustments: -

a. Income Tax to be provided at 25 %.
b. Claims intimated but not paid on 31/3/23 ₹4,00,000.
c. Expenses of management includes legal expenses of ₹ 1,44,000 relating to claims.
d. Transfer ₹ 8,00,000 to General Reserve.

OR

Q.2. From the following Trial Balance as on 31st March 23
Prepare Final accounts in the prescribed format as per applicable legal provisions 15

SAI HEIGHT CHS LTD. TRIAL BALANCE

PARTICULARS	₹	PARTICULARS	₹
Property tax	11,79,420	Subscribed Capital 700 shares of ₹ 50 each	35,000
Repairs & Maintenance	2,81,232	Surplus for last year	12,39,972
Salaries	13,51,566	collection from members for property expenses	33,98,304
Security	2,63,904	Collection from members for service charges	23,14,034
Tata Power Deposit	28,400	Interest saving bank	2.424
Water charges	2,60,970	Tower rent	3,93,284
Water Pump	24,780	Statutory reserve opening	2,71,030
Accrued Interest on FD – Sinking Fund	1,40,598	Entrance fees	400
Staff Advance	52,162	Transfer fees	1000
Audit fees	35,048	Sinking fund opening	1,34,25,490
BMC deposit for water	13,250	Collection for sinking fund	11,43,192
Cash in Bank	4,72,142	Interest on sinking fund investments	15,23,892
cash in hand	29,968		
Electricity charges	6,82,648		
dues from members	1,20,472		
Equipments	7,80,512		
Fixed deposit	1,22,75,504		
fixed deposit sinking fund	53,80,000		
Furniture	23,436		
Housekeeping	2,96,620		
Insurance charges	55,390		
	2,37,48,022		**2,37,48,022**

Adjustments: -

a. Provide depreciation on Furniture ₹ 2,344, Equipments ₹1,43,992, water pumps ₹3,716.
b. Prepaid insurance ₹27,320.
c. Prepaid maintenance expenses ₹ 31,142.
d. Outstanding property taxes ₹ 11,95,206.
e. Advance from the members for service charges ₹ 60,362.
f. Tower rent received in advance ₹ 88,130.

Q.3. BALANCE SHEET OF MUDRA LTD. 15

LIABILITIES	₹	ASSETS	₹
90,000 Equity shares of ₹10 each	9,00,000	Goodwill	1,50,000
1500, 15% Preference shares	1,50,000	Building	9,90,000
General reserve	6,00,000	Machinery	5,40,000
12 % Debentures	6,00,000	Debtors	9,00,000
Bank Loan	1,50,000	Cash	3,60,000
Creditors	3,60,000	Bills Receivables	1,20,000
Bills Payable	3,90,000	Preliminary Expenses	90,000
	31,50,000		**31,50,000**

a. Profits for previous years before tax: -
2019 - ₹ 5,40,000, 2020 - ₹ 7,80,000, 2021 - ₹ 2,10,000, 2022 - ₹ 12,30,000.
b. In the year 2021 loss of ₹ 1,20,000 was recorded due to fire.
c. In the year 2022 profit of ₹ 2,40,000 were earned from the non-trading activity.
d. In future expenses of ₹ 30,000 to be incurred for rent.
e. Building & Machinery were revalued at ₹ 12,30,000 & ₹ 6,90,000.
f. Debtors includes bad debts of ₹ 60,000.
g. Transfer to general reserve was provided at 20%.
h. Normal Rate of Return is 15% & Tax rate is 50%.

Find out the value of Equity shares by:-
Intrinsic value method, Yield method & Fair value method.
For valuation of shares consider Goodwill as 6 years purchase of super profit.

OR

Q.3. As on 1st April 2018 Money 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 ₹ 2100 Lakhs & the Hire Purchase price was ₹ 2,400 lakhs. The down payment was ₹ 300 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 2019 & 2020. However, the hire purchaser failed to pay the instalment on 31st March 2021. 15

The company was finalizing its accounts on 15th Aug. 2021 & wants your advice & calculations on the followings: -

a. Calculate basic provision.
b. Calculate the Net Book Value of Assets as on 31st March 2021 as per the prudential norms applicable. Assume the depreciation @ 20 % p.a. & that the rate of interest applicable is 6.40 %.
c. Calculate the additional provision if required to be made as per the prudential norms applicable.

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

a. Explain Non-Performing Assets in relation to Banking company.
b. Briefly explain reinsurance contract.
c. What is Future Maintainable Profits.
d. Define Co-operative Housing Society & briefly explain its types.
e. MOKSH Ltd. is an NBFC providing Hire Purchase Solutions for acquiring consumer durables. The following information is extracted from its books for the year ended 31st March 2022:

ASSET FUNDED	Interest overdue but recognized in P & L a/c		Net Book Value of assets outstanding [₹ in Lakhs]
	Period Overdue	Interest [₹ in Lakhs]	
Computers	Upto 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.

(B)

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Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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 indicates full marks.
3) Use of simple calculator is allowed.

Q. No.		Max. Marks
Q.1.	From the following trial balance and additional information Prepare a Balance Sheet of SBI Bank Ltd. As on 31st March 2023	15

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 31-3-23	15

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. 2022 was ₹ 15,000 & on 31st March 2023 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 2023: - 15

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 [1/4/22]	1.20
Fire Fund as on 1/4/2022	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 31/3/23 ₹2,00,000.
c. Expenses of management includes legal expenses of ₹ 72,000 relating to claims.
d. Transfer ₹ 4,00,000 to General Reserve.

OR

Q.2. From the following Trial Balance as on 31st March 23
Prepare Final accounts in the prescribed format as per applicable legal provisions 15

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

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 were 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 includes 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.

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 March 2020.

15

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.

Q.4. Answer the followings: - [3 MARKS EACH]

15

a. Calculate the Interest income to be recognized for the year ended 31st March 2023

PARTICULARS	**TOTAL INTEREST EARNED**	**ON NPA**	
		EARNED	**COLLECTED**
Cash Credit	5,640	1,640	800
Overdraft	1,500	900	200
Term Loan	5,080	1,500	500

b. Explain Principles of Utmost Good Faith.
c. Briefly explain Education Funds in Housing Society.
d. Briefly explain Yield Method of valuation of shares.
e. List down the rates for provision for loss for Systemically Important & Non – Systemically Important NBFC's.

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2023
Examination: End Semester Examination March 2023 (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**

Q.1 KBC Manufacturing Company produces 7,500 units by utilising its 75% capacity, supplies you the following cost information. **(15)**

Cost information at 75%. Capacity utilisation (7,500 units)

Particulars	₹
Direct Materials	7,50,000
Direct Labour	6,00,000
Direct Expenses	3,00,000
Office Overheads	4,50,000
Selling Overheads	3,00,000
	1,50,000

Additional Information:

(a) Direct materials, Direct labour, Direct expenses are variable cost.

(b) Factory overheads per unit increases by 10%, if capacity utilisation goes down below the 75% and decreases by 10%, if capacity utilisation goes up above the 75%.

(c) Office overheads are fixed overheads.

(d) Selling overheads per unit increases by 20%, if capacity utilisation goes down below 75% and decreases by 20%, if capacity utilisation goes up above the 75%.

(e) It is the policy of the company to charge profit at 25% on cost.

You are required to prepare a Flexible Budget at 50%, 80% and 100% capacity utilisation.

OR

Q.1 ABC Manufacturing Company (P) Ltd has following data: (15)

Activities	Overhead (in Rs)	Cost Driver
Procurement Cost	20,000	No of order
Repairs and maintenance	60,000	Machine hours
Set up Cost	18,000	No. of production runs
Material handling	12,000	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:

(a) Cost Driver rate (b) Total Overhead (c) Overhead rate

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

Year ending 31st March	Sales (₹)	Profit (₹)
2022	4,00,000	40,000
2023	6,00,000	80,000

Calculate:

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

(b) Fixed cost.

(c) Break Even Point.

(d) If the company wants to have a profit of ₹15,000 what should be the level of sales?

(e) Profit when sales are ₹7,80,000.

(f) Revised BEP if Fixed Cost increase by 25%.

OR

Q.2. A, B and C are three similar plants under the same management who want them to be merged for better operation. **(15)**

The following particulars are available:

Plant	**A**	**B**	**C**
Capacity Operated	100%	60%	40%
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Turnover	300	300	80
Variable Cost	180	210	60
Fixed	70	50	62

You are required to ascertain:

a) The capacity of the merged plant for break even.

b) The profit or loss at 80% capacity of merged plant.

c) The turnover from the merged plant to give profit of ₹ 30 lakhs.

Q.3. The details are available from the records of Binny Ltd. engaged in Manufacturing Article 'S' for the month ended 31-12-2022. The Standard Data and Actual Data are as follows: **(15)**

	Standard (100 Units)		**Actual (1,000 Units)**	
Material	Quantity 120 Kg.	Rate Per Kg. ₹ 10.00	Quantity 1,250 Kg.	Rate Per Kg. ₹ 9.50
Labour	Hours 90	Rate Per Kg. ₹15.00	Hours 875	Rate Per Hr. ₹100.00

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. In department 'A' of a plant the following data are submitted for the week ended 31st March, 20223. **(15)**

Standard Output for 40 hours per week	1400 units
Budgeted Fixed Overheads	₹ 1400
Actual output	1200 units
Actual Hours worked	32 hours
Actual fixed Overheads	₹ 1500

You are required to calculate Fixed Overhead Variances

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

(1) Explain the advantages of Uniform Costing. (03)

(2) (03)

Fixed Cost	₹4,000
Profit	₹1,000
Break Even Point	₹20,000

Calculate Sales and Variable Cost.

(3) A Company manufactures two product X and Y. (03)
The contribution per unit is ₹40 and ₹30 respectively.
Product X requires 10 hours per unit and Product Y 6 hours per unit.
If material requirement is the limiting factor and Product X requires 16 kg per unit and Product Y requires 15 kg per unit.
Find the most profitable product?

(4) (03)

Particulars	Cost Per Unit ₹
Direct Material	80
Direct Wages	40
Variable Overheads	30
Selling Price	200

Total Fixed overheads ₹10,000
If sales 250 Units
Calculate Profit or Loss from the product.

(5) Explain the Essentials of Interfirm Comparison. (03)

B

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2023
Examination: End Semester Examination March 2023 (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**

Q.1 XYZ Ltd is following ABC. Budgeted overheads and cost drivers volumes are as follows – **(15)**

Cost pool	Budgeted Overheads (Rs)	Cost Drivers	Budgeted Volume
Material Procurements	11,60,000	No of orders	2,200
Material Handling	5,00,000	No of Movements	1,360
Maintenance	19,40,000	Maintenance Hrs	16,800
Set up	8,30,000	No of Set Ups	1,040
Quality Control	3,52,000	No of Inspections	1,800
Machinery	14,40,000	No of Machine Hrs	48,000

The company has produced a batch of 5,200 components. Its material cost was Rs.2,60,000 and labour cost Rs.4,90,000.

Usage Activities –

Material Orders	52	Maintenance hrs	1,380
Material Movements	36	Quality Control Inspection	56
Set ups	50	Machine Hours	3,600

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

OR

Q.1 A factory is currently working at 50% capacity and produces 10,000 units. **(15)**
The unit cost of ₹180 is made up as follows:

Material	₹100
Labour	₹30
Factory overheads	₹30 (40% fixed)
Administrative overheads	₹20 (50% fixed)

a) At 50% capacity working, the product costs ₹180 per unit and is sold at ₹200 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 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 Following information is available: (15)

	Product 'X' ₹ Per Unit	Product 'Y' ₹ Per Unit
Direct Material	80	100
Direct Wages	40	50
Variable Overheads	30	50
Selling Price	200	275

Total Fixed overheads ₹20,000/-

From the following alternatives which sales mixed will bring higher profits:

(a) 250 Units of 'X' and 150 Units of 'Y'.
(b) 150 Units of 'X' and 250 Units of 'Y'.
(c) 400 Units of 'X' only.
(d) 400 Units of 'Y' only.
(e) 200 Units of 'X' and 200 Units of 'Y'.

Support your answer with working

OR

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

Particulars	**First Half of Year** ₹	**Second Half of Year** ₹
Sales	8,10,000	10,26,000
Profit	21,600	64,800

From the above you are required to compute the following assuming that the Fixed Cost remains the same in both the periods.

(a) P/V ratio.
(b) Fixed Cost for the year.
(c) Amount of profit or loss when sales are ₹ 16,48,000/-
(d) The amount of sales required to earn a profit of ₹ 2,25,000/-
(e) Margin of safety for the year

Q.3. The standard material cost to produce one ton (1,000 kgs.) of chemical "X" is: (15)

300 kg of material A @ ₹10 per kg.
400 kg of material B @ ₹5 per kg.
500 kg of material C @ ₹6 per kg.

During the month of December 2010, 100 tons of mixture "X" were produced from the usage of:-

35 tons of materials A at a cost of ₹9,000 per ton
42 tons of material B at a cost of ₹6,000 per ton
53 tons of material C at a cost of ₹7,000 per ton

You are required to calculate:-

(a) Material Cost Variance
(b) Material Price Variance
(c) Material Usage Variance
(d) Material Mix Variance

OR

Q.3. SB Construction limited gives you following information:

	Standard		Actual	
	Quantity (Tonnes)	Rate per Tonnes (₹)	Quantity (Tonnes)	Rate per Tonnes (₹)
Material:				
A	3,000	1,000	3,400	1,100
B	2,400	800	2,300	700
C	500	4,000	600	3,900
D	100	30,000	90	31,500
Labour:	Hours	Hourly Rate	Hours	Hourly Rate
L_1	60,000	15	56,000	18
L_2	40,000	30	38,000	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)**

(1) Explain the disadvantages of Uniform Costing. (03)

(2) Profit Rs.30,000, Marginal Cost per unit ₹8, selling price per unit ₹10. Calculate Margin of Safety. (03)

(3) Calculate Labour Efficiency Variance from the following: (03)

	Standard	Actual
Hours	10 hours	12 hours
Rate	₹12	₹10

(4) A Company manufactures two product X and Y. (03)
The contribution per unit is ₹80 and ₹60 respectively.
Product X requires 8 hours per unit and Product Y 10 hours per unit.
If time is the limiting factor.
Find the most profitable product?

(5) Explain the concept of Interfirm Comparison. (03)

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SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (UG Programmes)

Programme code:03 **Programme: Bachelor of Commerce (Accounting and Finance)-Honours**	**Class:** TY	**Semester:** VI

Name of the Constituent College: S K Somaiya College	**Name of the Department** :Accounting &Finance
Course Code: 131U03C602	**Name of the Course: Advanced Costing Techniques**
Duration : 2 Hrs.	**Maximum Marks : 60**

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

Question No.		Max. Marks
Q.1	**A)** XYZ Ltd. has established the following standard mix for producing 9 gallons of product 'A':……………………………………………………….(15)	15

5 gallons – Material X at Rs. 8 per gallon

3 gallons -Material X at Rs. 6 per gallon

2 gallons -Material Z at Rs. 4 per gallon

A standard loss of 10% of input is expected to occur. Actual input was:

Material X – 53,000 gallons at Rs. 9 per gallon

Material X – 28,000 gallons at Rs. 6.50 per gallon

Material Z – 19,000 gallons at Rs. 4.25 per gallon

Actual output for the period was 92,700 gallons.

Compute all Material Variances .

OR

B) Maggie Industries furnishes you the following details for the month of March 2023:……………………………………………………………….(10)

Particulars	Budgeted	Actual
Output(Units)	16000	17000
Hours	32000	34400
Fixed Overheads	Rs.800000	Rs.946000
Variable Overheads	Rs.650000	Rs.741000

Calculate all Fixed Overhead Variance.

AND

C) Enumerate features of Uniform Cost manual …………………………..(5)

Q.2

A) Yamaha Limited is a manufacturer of Cardboard boxes. An analysis of its operating income between 2022 and 2023 shows the following:............................(8)

	Income Statement (amount in 2022)	Revenue & Cost Effect of Growth Component in 2023	Revenue & Cost Effect of Price Recovery Component in 2023	Cost Effect of Productivity Component in 2023	Income Statement (amount in 2023)
Revenue (Rs)	80,00,000	4,00,000(F)	8,40,000(F)	-	92,40,000
Cost (Rs)	58,40,000	1,20,000 (A)	5,12,000(A)	116,000(F)	63,56,000
Operating Income (Rs)	21,60,000	2,80,000(F)	3,28,000(F)	116,000(F)	28,84,000

Y limited sold 4,00,000 boxes and 4,40,000 boxes in 2022 and 2023 respectively. During 2023 the market for cardboard boxes grew 5% in terms of number of units and all other changes are due to company's differentiation strategy and productivity.

Required

COMPUTE how much of the change in operating income from 2022 to 2023 is due to the industry market size factor, productivity and product differentiation and also reconcile the profit of both years due to these factors.

B) Hulk. Ltd. manufactures three products. The material cost, selling price and bottleneck resource details per unit are as follows:..........................(7)

Particulars	Product X	Product Y	Product Z
Selling Price (Rs)	99	112.50	135
Material and Other Variable Cost (Rs)	36	45	60
Bottleneck Resource Time (Minutes)	15	15	20

Budgeted factory costs for the period are Rs. 4,43,200. The bottleneck resources time available is 150,000 minutes per period.

Required:

a)Company adopted throughput accounting and products are ranked according to 'product return per minute'. Select the highest rank product.

b)CALCULATE throughput accounting ratio and COMMENT on it

OR

C) Maybelline Ltd is manufacturing three household products X, Y & Z and selling them in a competitive market .Details of current demand , selling price & cost structure are given below: ....(15)

Particulars	X	Y	Z
Expected demand (in units)	20000	24000	45000
Selling Price per unit(Rs.)	40	32	20
Variable costs per unit(Rs)			
Direct Material (Rs.20/kg)	12	8	4
Direct Labour(Rs.30/hr)	6	6	3
Variable Overheads	4	2	2
Fixed Overheads per unit	5	4	2

The Company is frequently affected by high labour turnover. During the next period, it is expected to have one of the following situations :

c) Direct Labour hours available available will be only 10000 hours .

d) It may be possible to increase sales of any one product by 25% without additional fixed cost but by spending Rs. 40000 on advertisement . There will be no shortage of Labour.

Evaluate both the situations and in each case suggest best possible production plan and compute resultant profit .

Q.3

A)From the following information Evaluate best possible sales mix:...........(15)

Particulars	Product X (Per unit)-Rs.	Product Y (Per unit)-Rs.
Direct Material	160	200
Direct Wages	80	100
Variable Overheads	60	100
Selling Price	350	475

Total Fixed cost is Rs.40000

Alternatives for evaluation:

a) 500 units of X and 300 units of Y
b) 300 units of X and 500 units of Y
c) 800 units of X only
d) 800 units of Y only
e) 400 units of X and 400 units of Y

OR

B) Enumerate 6 C's of Total Quality Management ....(7)

C) Write a detailed note on Profitability Analysis.................................(8)

Q 4

Answer the following: 15

A)From the following information draw Break- Even Chart.

Sales in Units – 3500 units Selling Price per unit: Rs. 40
Variable cost per unit is Rs.30 , Fixed Cost is Rs. 150000.
Indicate –i) Break Even Point ....(2)
ii) Margin of Safety (In Value) and (in Units)...............(2)

iii) Area of Profit and Area of Loss ....(2)

B)Classify the following cost as Cost of Control and Cost of failure of Control in context of Cost of Quality : ....(3)

i) Re-designing
ii) Warranties
iii) Field Testing
iv) Packaging Inspection
v) Quality Circles
vi) Downtime

C) Compute Sales Value Variance from the following data:....................(3)

Product	Budgeted Sales	Actual Sales
A	1500 units @ Rs.5 per unit	1900 units @Rs.5.5 per unit
B	2100 units @Rs.8 per unit	2600units @ Rs. 8.25 per unit

D)Enumerate three components of Strategic Cost Management ....,(3) A

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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 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 3)		

Question No.		**Max. Marks**
Q.1. A	Explain how to pay the GST under the provisions of GST Act and significance of the electronic credit ledger for payment of taxes.	(15)
	OR	
Q.1. B.	Following details are available for Sharma Menon Traders for December 2022- a) Opening balance in the electronic credit ledger Rs 9,000 in IGST and CGST and Rs 20000 in SGST. b) Local inputs purchased during the month : Purchase from max Ltd Rs 1,00,000 (GST 12%) Purchase from XYZ Ltd Rs 1,30,000 (GST 10%) c) Out of Maharashtra purchased from government Rs 90,000 [12% GST] d) Outward supplies during the month within state – Rs 3,00,000 [10% GST] e) Outward supplies during the month outside state – Rs 2,00,000 [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	(15)
Q.2. A.	Explain the various types of custom duties under the customs act.	(15)
	OR	
Q.2. .B.	XYZ Industries Ltd., has imported 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) Freight from Japan to Indian Port 40,000 Yen b) Insurance paid to Insurer in India ₹ 20,000 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 g) M/s XYZ Industries had affected payment to the Bank based on exchange rate 1 Yen = ₹ 0.71 h) The commission payable to the agent in India was 5% of FOB cost of the equipment in Indian Rupees.	(15)

i) Compute assessable value keeping in mind the customs provisions.
ii)How will your answer differ if the information regarding freight and insurance is not available.

Q.3. A

Mr. Sam an American resident came to India on a tourist visa for 1 month. He brought with him the following items : (15)

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. Sam along with suitable explanation regarding what things are dutiable and what is not.

His brother an Indian citizen Mr. Jam left India on 1st April 2022 to explore new business opportunity in Europe . His wife joined him on 1st December 2022 for a leisure trip. They returned to India on 20th May 2023 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. Jam and Rs300000 by Mrs. Jam.

Determine the dutiable baggage and the duty payable by each of them.

OR

Q.3.B.

Short note : Exporter status holders and its benefits to exporter.
Short note : Import export code and its importance.

Q.4.A

Explain the procedure to clear goods imported by post. (5)

Q.4.B.

D K Rao imported goods worth 10000 kg on 5th December 2022. However, before the clearance of the goods around 100kg goods were stolen from the port. Advice Mr. Rao is he liable to pay duty on the said goods. (5)

Q.4.C.

Mr. khan imported raw material for manufacture of finish goods from Mr. G of Germany. The bill of entry was presented on 1-6-2022 where as entry inwards was granted for the vessel on 15-6-2022. Determine the relevant date for determination of duty on the imported material. Will your answer change if the goods are warehoused after import and bill of entry is presented on 5th July 2022. (5)

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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 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 3)

Question No.		**Max. Marks**
Q.1. A	Explain how to pay the GST under the provisions of GST Act and significance of the electronic credit ledger for payment of taxes.	(15)
	OR	
Q.1. B.	Following details are available for Sharma Menon Traders for December 2022- a) Opening balance in the electronic credit ledger Rs 9,000 in IGST and CGST and Rs 20000 in SGST. b) Local inputs purchased during the month : Purchase from max Ltd Rs 1,00,000 (GST 12%) Purchase from XYZ Ltd Rs 1,30,000 (GST 10%) c) Out of Maharashtra purchased from government Rs 90,000 [12% GST] d) Outward supplies during the month within state – Rs 3,00,000 [10% GST] e) Outward supplies during the month outside state – Rs 2,00,000 [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	(15)
Q.2. A.	Explain the various types of custom duties under the customs act.	(15)
	OR	
Q.2. .B.	XYZ Industries Ltd., has imported 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) Freight from Japan to Indian Port 40,000 Yen b) Insurance paid to Insurer in India ₹ 20,000 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 g) M/s XYZ Industries had affected payment to the Bank based on exchange rate 1 Yen = ₹ 0.71 h) The commission payable to the agent in India was 5% of FOB cost of the equipment in Indian Rupees.	(15)

	i) Compute assessable value keeping in mind the customs provisions. ii)How will your answer differ if the information regarding freight and insurance is not available.	
Q.3. A	Mr. Sam an American resident came to India on a tourist visa for 1 month. He brought 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. Sam along with suitable explanation regarding what things are dutiable and what is not. His brother an Indian citizen Mr. Jam left India on 1st April 2022 to explore new business opportunity in Europe . His wife joined him on 1st December 2022 for a leisure trip. They returned to India on 20th May 2023 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. Jam and Rs300000 by Mrs. Jam. Determine the dutiable baggage and the duty payable by each of them.	(15)
	OR	
Q.3.B.	Short note : Exporter status holders and its benefits to exporter. Short note : Import export code and its importance.	
Q.4.A	Explain the procedure to clear goods imported by post.	(5)
Q.4.B.	D K Rao imported goods worth 10000 kg on 5th December 2022. However, before the clearance of the goods around 100kg goods were stolen from the port. Advice Mr. Rao is he liable to pay duty on the said goods.	(5)
Q.4.C.	Mr. khan imported raw material for manufacture of finish goods from Mr. G of Germany. The bill of entry was presented on 1-6-2022 where as entry inwards was granted for the vessel on 15-6-2022. Determine the relevant date for determination of duty on the imported material. Will your answer change if the goods are warehoused after import and bill of entry is presented on 5th July 2022.	(5)

(B)

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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		

Question No.		Max. Marks
Q.1. A	i) Short note : Electronic cash ledger.	(07)
	ii) Discuss the procedure for clearance of imported goods and under what circumstances can goods be cleared without payment of duty.	(08)
	OR	
Q.1. B.	Answer the following questions whether blocked credit provisions are applicable or not along with reasoning : 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 installation of plant and machinery in the factory . c) Rakesh purchased new insurance policy for his car and paid premium Rs 23,000 plus 10% GST. The said car is used provided tourist services to the foreigners arriving at his hotel. d) SK agencies ordered refreshments such as pizza , ice creams from swiggy to celebrate birthday of an employee and paid Rs 10,000 plus 18% GST. e) Raw material worth Rs 10,000 was utilized for manufacture of a underground petrol tank by KARA Motors and Pumps.	(15)
Q.2. A.	Compute the assessable value in each case for customs purpose from following information :-	(15)

Particulars	Case 1	Case 2	Case 3
Price payable to the seller	10000	20000	30000
Cost of packing materials	1000	Nil	500
Labor charges for packing	200	Nil	300
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

OR

Q.2. B.	Short note : Anti-dumping duty	(07)
Q.2. C.	Examine the validity of the following statements with reference to customs act 1962 – service charges paid to canalizing agent are includible in the assessable value of imports. Will your answer change if the canalizing agent is acting as a buyer's agent in the foreign country.	(08)
Q.3. A	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.	(10)
	Mr. Anil and his wife are returning to India after 2 years . they wish to know the provisions regarding maximum gold to be brought in India without payment of duty. Enumerate provisions of customs laws for jewelry allowance in their cases.	(05)
	OR	
Q..3.B.	Indicate any 5 benefits to status holders under the reward scheme of foreign trade policy 2015-20.	(5)
Q.3.C .	Explain the scheme for remission of duties and taxes on exported products.	(10)
Q.4.	i) Ram of Rampur imported by post a parcel worth Rs 1,00,000 on 14th march 2023. The parcel was received by foreign post office at the airport. Now Mr. Ram wants to clear the goods after paying necessary duties. Guide him the process to be followed for same.Is he liable to pay duty or not? [calculation of duty is not required] ii)Explain the meaning of the entry inward and entry outward in the customs law. iii) Mr. Saif wants to gift his sister in India a Rolex watch valued at Rs 1,75,000. He is planning to send the gift by an air parcel from Dubai. You are required to advise him the process to be followed for export as well as how the goods shall be cleared by his sister once the parcel lands in Mumbai airport.	(15)

A

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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		

Question No.		Max. Marks
Q.1 A	M/s X Ltd. provide Profit & Loss A/c you are required to present trend analysis and analyse growth of the company.	**15**

Particulars	2018-19	2019-20	2020-21
Sale	12,00,000	12,00,000	12,00,000
Less : Cost of Goods Sold			
Opening Stock	1,00,000	1,50,000	1,00,000
Purchases	3,50,000	2,50,000	3,00,000
Wages	2,00,000	1,80,000	1,50,000
Carriage Inward	50,000	45,000	48,000
(-) Closing Stock	1,50,000	1,00,000	1,00,000
Net COGS	5,50,000	5,25,000	4,98,000
Gross Profit	6,50,000	6,75,000	7,02,000
Less : Operating Expenses			
Administrative Expenses			
Salaries	65,000	70,000	71,000
Prinitng & Stationary	15,000	10,000	8,040
Audit Fees	10,000	10,000	12,000
Office Expenses	10,000	12,000	13,000
Selling Expenses	20,000	20,800	21,840
Finance Cost	15,000	20,000	20,000
Total Operating Expenses	1,35,000	1,42,800	1,45,880
Net Profit	5,15,000	5,32,200	5,56,120

OR

Q1 B Explain factors affecting business valuation. **8**

Q1 C Describe ways to minimize valuation bias. **7**

Q.2 Mr. Shrikar is managing director of a limited company he is an engineer he requires help from his CEO Ms. Aparna to understand about type of actions to be taken to improve financial performance. **15**

He provides following details to Ms. Aparna which comprises of Actual Ratios and Industry standards.

Ratio	**Industry Standard**	**Actual Ratio**
Current Ratio	2.3	2.8
Debtors Turnover Ratio	7	9
Stock Turnover Ratio	10	3
Net Profit Ratio	8%	3%
Debt to Total Assets of Ratio	7.5%	40%

OR

Q.2 M/s Z ltd provide you following information and you are requested to analyse changes in profit for the company due to changes in volume, cost and selling price. Show workings. **15**

Particulars	**2020**	**2021**
Sales	₹ 9,00,000	₹ 16,20,000
Cost of Goods Sold	₹ 6,00,000	₹ 10,80,000
Sales Volume (units)	60,000	90,000

Q.3 Following is balance sheet of XYZ limited. **15**

Liabilities	**₹**	**Assets**	**₹**
Share Capital	14,98,000	Land & Building	3,00,000
Reserves	1,54,500	machinery	1,72,500
Bank Overdraft	32,000	Inventory	4,50,000
Current Liabilities	1,15,500	Debtors	9,07,500
Provisions	1,80,000	Bank	1,50,000
	19,80,000		**19,80,000**

Profit for past 5 years is ₹ 1,72,000/-, ₹1,50,000/-, ₹ 1,87,500/-, ₹ 1,80,000/-, and ₹ 1,35,000/-. Building is valued at ₹ 3,75,000/- Machinery ₹ 2,25,000/-. The rate of normal profit is to be taken @8%. Goodwill to be valued by capitalizing super profit.

Q.3 **OR** **15**

A shareholder of M Private Ltd. requests you to advise him about the fair value of the Equity shares of the Company. the Company's financial position as on 31st December, 2020 is as under :

Liabilities		₹	Assets	₹
6% Pref Capital		2,00,000	Goodwill	1,20,000
12000 Equity Shares of 20 each		2,40,000	Plant & Machinery	2,00,000
Debenture Redemption fund		40,000	Land & Building	2,00,000
<u>Profit & Loss A/c</u>			Investment	1,20,000
OP Bal	45,000		Srock	1,20,000
Profit for year	1,30,000	1,75,000	Debtors	1,40,000
5% Debentures		2,00,000	Cash & Bank Bal	1,52,000
Creditors		1,67,000		
Depreciation Fund		30,000		
		10,52,000		**10,52,000**

Following is other relevant information.

1. goodwill is revalued at ₹1,45,000/-
2. Normal rate of return is 10%
3. Investments is part of assets.
4. Profit for the year as stated above are before annual transfer of ₹ 12,700 to Debenture Redemption Fund.
5. Income tax to be taken at 50%.

Calculate Fair Value of Equity Shares.

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

a. M/s X Ltd provide following details and you are required to calculate sustainable earnings of the company.

Profit Before Tax – 14,00,000/-,

Loss on revaluation of Assets – 2,00,000/-

Loss due to employee unrest – 3,00,000/-

Company borrowed loan of ₹ 50,00,000/- @ 7% and paid interest.

Managerial Remuneration amounted to ₹ 1,00,000/-

b. M/s Z Ltd provided following information and you are requested to calculate PB Ratio.

Total Assets – 1,00,00,000/-, Total Liabilities – 25,00,000/-

No. of shares – 5,00,000/-, EPS - ₹ 5, PE Ratio – 14

c. From following details, you are required to present Cash from Investing Activity.

Particular	₹
Issue of Shares	3,00,000
Sale of Investment	4,00,000
Sale of old Machinery	2,00,000
Received Interest	1,10,000
Payment of dividend	50,000
Purchase of Investment	5,00,000
Purchase of Furniture	2,00,000

B

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2022 to March 2023)
Examination: End Semester Examination March/April 2023 (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		

Question No.		**Max. Marks**
Q.1 A	Following information provided by M/s Shrinath Ltd. you are required to present Trend Analysis and also analyse its growth	**15**

Particulars	**2018-19**	**2019-20**	**2020-21**
Sale	10,00,000	11,00,000	13,20,000
Less : Cost of Goods Sold	5,00,000	5,70,000	7,37,000
Gross Profit	5,00,000	5,70,000	7,37,000
Less : Operating Expenses			
<u>Administrative Expenses</u>			
Salaries	50,000	52,000	54,040
Rent	50,000	50,000	50,000
<u>Selling Expenses</u>			
Advertisement	15,000	15,000	15,000
Commission on sales	5,000	5,800	6,840
Finance Cost	15,000	20,000	20,000
Total Operating Expenses	1,35,000	1,42,800	1,45,880
Net Profit	3,65,000	4,27,200	5,91,120

OR

Q1 B	Explain foundations of business valuation.	**8**
Q1 C	Describe sources of business valuation	**7**
Q.2	Following information is extracted from X Ltd for the year ended 31 March	**15**

Particulars	**2020**	**2021**
Sales	11,25,000	11,88,000
Cost of Goods Sold	9,75,000	7,92,000
Sales Volume (units)	75,000	66,000

Account Changes in Profit due to change in sales volume, cost and selling price.

OR

Q2 Telestar Ltd gives following Balance Sheets and you are required to prepare Cash Flow statement with the help of additional information given. **15**

Liabilities	2020	2021	Assets	2020	2021
Eq. Share Capital	1,20,000	1,50,000	Land	2,10,000	2,70,000
5% Preference Share Capital	90,000	60,000	Building	2,85,000	2,70,000
General Reserve	30,000	42,330	Stock	27,000	36,300
Profit & Loss A/c	15,240	28,080	Debtors	40,440	38,460
Provision for Tax	17,000	8,000	Prepaid Exp	25,880	17,000
Creditors	3,37,920	3,51,990	Bank Bal	15,480	3,240
			Misc. Exp	6,000	5,400
	6,10,160	**6,40,400**		**6,10,160**	**6,40,400**

Other Information

1. The company paid interim dividend ₹ 6000/-.
2. Preference Shares are redeemed during the year at 10% premium.
3. Income Tax paid during year 15,000

Q.3 X company is in process of taking over Y company. for this goodwill need to be valued. both companies agreed to determine value of goodwill by applying capitalisation of FMP method. following information need to be considered. **15**

1. profit before tax for last 5 years were; ₹1,00,000, ₹1,30,000, ₹90,000, ₹1,10,000 and ₹1,50,000/-.
2. applicable tax rate for the company is 55%
3. directors of Y company will become directors in X remuneration payable to them is ₹10,000 per annum. however Y company did not make any provision for payment to directors till date.
4. total assets of the company are valued at ₹7,00,000 and liabilities are valued at ₹3,40,000/-
5. Similar company earn 10% return.

OR

Q3 B Ltd. is considering to take over business of A Ltd. It is necessary to determine value of Goodwill to give an offer to the management of A Ltd. You are required to find out value of Goodwill of A ltd. by capitalizing Super Profit of the company. **15**

Liabilities	₹	Assets	₹
Equity Share Capital	6,40,000	Land & Building	5,30,000
Preference Share Capital	3,60,000	Furniture	1,00,000
Reserves	2,06,000	Inventory	5,10,000
Loans	1,94,000	Debtors	3,00,000
Current Liabilities	2,40,000	Bills Receivable	2,00,000
	16,40,000		**16,40,000**

Profit for past 5 years is ₹ 1,72,000/-, ₹1,70,000/-, ₹ 1,95,000/-, ₹ 1,85,000/-, and ₹ 1,90,000/-. It is expected that Audit Fees of ₹ 10,000/- pa will not be payable as auditor of B Ltd. will do the work without any extra cost. Company require additional office place for proper integration of business and to ensure smooth business operations an additional rent of ₹ 10,000/- pa is payable for the same. Building is valued at ₹ 6,00,000/- Furniture ₹ 1,50,000/-, Inventory appreciated by ₹ 50,000/- The rate of normal profit in the industry is to be taken @10%.

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

a. M/s X Ltd have provided following information and you are required to calculate sustainable earing of the company.

Net Profit Before Tax – ₹12,00,000, Depreciation on Asset - ₹ 1,25,000

Insurance claim received from insurance - ₹ 2,50,000

Loss by fire in the current year - ₹ 4,00,000,

Severance payment of employees - ₹ 75,000

b. You are required to calculate PB Ratio of X Ltd and Y Ltd from following information.

Particular	X Ltd	Y Ltd
Relevant Current Market Price per share	110	80
Share Capital	2,100	6,400
No. of Shares	250	500

c. Following information is provided by Hitachi Ltd.

Particulars	2020	2021
Cost of Goods Sold	12,00,000	22,50,000
Sale Units	60,000	90,000

BAF - VI
Fin Analy

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2023 to March 2024)
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Duration : 2 Hrs.	**Maximum Marks : 60**	
Instructions: 1) Use of simple calculator is allowed		

Quest. No.		Max. Marks	CO
Q.1 A	M/s ABC Ltd. provide Profit & Loss A/c you are required to present trend analysis and analyse growth of the company.	15	**CO 4**

Particulars	2020-21	2021-22	2022-23
Sale	12,00,000	12,00,000	12,00,000
Less : Cost of Goods Sold			
Opening Stock	1,00,000	1,50,000	1,00,000
Purchases	3,50,000	2,50,000	3,00,000
Wages	2,00,000	1,80,000	1,50,000
Carriage Inward	50,000	45,000	48,000
(-) Closing Stock	1,50,000	1,00,000	1,00,000
Net COGS	5,50,000	5,25,000	4,98,000
Gross Profit	6,50,000	6,75,000	7,02,000
Less : Operating Expenses			
Administrative Expenses			
Salaries	65,000	70,000	71,000
Prinitng & Stationary	15,000	10,000	8,040
Audit Fees	10,000	10,000	12,000
Office Expenses	10,000	12,000	13,000
Selling Expenses	20,000	20,800	21,840
Finance Cost	15,000	20,000	20,000
Total Operating Expenses	1,35,000	1,42,800	1,45,880
Net Profit	5,15,000	5,32,200	5,56,120

OR

Q1 B A shareholder of Ganesh Private Ltd. requests you to advise him about the fair value of the Equity shares of the Company. the Company's financial position as on 31st December, 2023 is as under : **15** **CO 2**

Liabilities	**₹**	**Assets**	**₹**
7,500 Equity Shares	75,000	Land & Building	42,000
General Reserve	15,000	Plant & Machinery	48,000
Taxation Reserve	22,500	Trade Mark	7,500
P & L A/c	12,000	Stock	18,000
Bills Payable	11,250	Debtors	33,000
Creditors	36,750	Cash	19,500
		Preliminary Exp	4,500
	1,72,500		**1,72,500**

The Plant & Machinery is worth ₹ 45,000 and Land & Building have been valued at 90,000 & Goodwill ₹ 60,000 by an independent valuer. ₹ 3000 of the debtor are bad; the profits of the company have been as follows:

2021 : 30,000

2022 : 33,750

2023 : 39750

Company transfer 25% profit to reserve, consider NRR at 10%. Calculate Fair Value of Equity Shares.

Q.2 A Mr. Shrikar is managing director of a limited company he requires help from his CEO Ms. Aparna to understand the problem and possible actions to be taken to improve financial performance. **15** **CO 3**

He provides following details to Ms. Aparna which comprises of Actual Ratios and Industry standards. You are required to provide your comments on the ratios and action plan to overcome issues of the company.

Ratio	**Industry Standard**	**Actual Ratio of Company**
Current Ratio	2	2.8
Debtors Turnover Ratio	6	9
Stock Turnover Ratio	8	4
Net Profit Ratio	9%	5%
Debt to Total Assets of Ratio	15%	30%

OR

<table>
<tr><td>Q2 B</td><td>M/s ABC ltd provide you following information and you are requested to analyse changes in profit for the company due to changes in volume, cost and selling price. Show workings
<table>
<tr><th>Particulars</th><th>2020</th><th>2021</th></tr>
<tr><td>Sales</td><td>₹ 12,00,000</td><td>₹ 21,60,000</td></tr>
<tr><td>Cost of Goods Sold</td><td>₹ 9,00,000</td><td>₹ 18,00,000</td></tr>
<tr><td>Sales Volume (units)</td><td>60,000</td><td>90,000</td></tr>
</table></td><td>15</td><td>CO 3</td></tr>
<tr><td>Q.3A</td><td>Following is balance sheet of XYZ limited.
<table>
<tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr>
<tr><td>Share Capital</td><td>15,98,000</td><td>Land & Building</td><td>4,00,000</td></tr>
<tr><td>Reserves</td><td>54,500</td><td>Machinery</td><td>1,72,500</td></tr>
<tr><td>Bank Overdraft</td><td>32,000</td><td>Inventory</td><td>4,57,500</td></tr>
<tr><td>Current Liabilities</td><td>1,45,500</td><td>Debtors</td><td>8,00,000</td></tr>
<tr><td>Provisions</td><td>1,40,000</td><td>Bank</td><td>1,50,000</td></tr>
<tr><td></td><td>**19,80,000**</td><td></td><td>**19,80,000**</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
</table>
Profit for past 5 years is ₹ 1,55,500/-, ₹1,67,000/-, ₹ 1,84,000/-, ₹ 1,73,000/-, and ₹ 1,45,000/-. Building is valued at ₹ 3,75,000/- Machinery ₹ 2,25,000/-. The rate of normal profit is to be taken @ 8%. Goodwill to be valued by capitalizing super profit.

OR</td><td>15</td><td>CO 2</td></tr>
<tr><td>**Q3 B**</td><td>Explain asset approach of business valuation</td><td>8</td><td>CO 1</td></tr>
<tr><td>**Q3 C**</td><td>Describe ways to minimize valuation bias.</td><td>7</td><td>CO 1</td></tr>
<tr><td>Q.4</td><td>**Conceptual Questions (5 marks each)**
a. M/s P Ltd provide following details and you are required to calculate residual earnings of the company.
Net Profit : 2,25,000/-.
Total Assets : 20,00,000/-.
Total Liabilities : 12,00,000/-.
Cost of Capital : 12%.

b. M/s T Ltd provided following information and you are requested to calculate PB Ratio.
Total Assets – 1,50,00,000/-, Total Liabilities – 75,00,000/-
No. of shares – 5,00,000
EPS - ₹ 5, PE Ratio – 14</td><td>15</td><td>CO 4

CO 4</td></tr>
</table>

c. U Ltd. has the following portfolio of investment on 31 March 2022.

Particulars	Cost	Market Value
Current Assets		
Shares of Sunita Ltd.	500	350
Units of UTI	260	260
Shares of Anuranjan Ltd.	225	400
Long Term Investment		
Shares of Y Ltd	320	400
Shares of Z Ltd	150	130
Shares of W Ltd.	180	60

Compute the value of Investment for Balance Sheet assuming the fall in value of investment Z Lt is temporary and that of W Ltd is permanent.

CO 2