

SOMAIYA

VIDYAVIHAR UNIVERSITY

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

QUESTION PAPERS

BRANCH: Bachelor of Commerce (Accounting & Finance) Hons.	SEM: V
	OCT/NOV-2023

Sr. No.	Subject	Available
1.	131U03C501 – Corporate Accounting III	
2.	131U03C502 – Cost & Management Accounting III (A)	
3.	131U03C502 – Cost & Management Accounting III (B), (C)	
4.	131U03V502 – Strategic Management (A), (B)	
5.	131U03C503 – Direct Tax II	
6.	131U03V501 – International Taxation	
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SOMAIYA
VIDYAVIHAR UNIVERSITY



Semester (October 2023)

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

Programme code: 03		Class: TY	Semester: V
Programme: BAF (H)		BAF (H)	
Name of the Constituent College: S K Somaiya College		Name of the Department : Accounting and Finance	
Course Code: 131U03C501	Name of the Course: Corporate Accounting - III		
Duration : 2 Hrs.	Maximum Marks : 60		
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3)			

Question No.		Max. Marks	Co Attainment																																								
Q1 A	<p>Following is Balance Sheet of Swastik Ltd.</p> <p style="text-align: center;">Balance Sheet</p> <table border="1"> <thead> <tr> <th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr> </thead> <tbody> <tr> <td>8,000 Equity Shares of ₹ 100 each</td><td>8,00,000</td><td>Goodwill</td><td>1,20,000</td></tr> <tr> <td>9% Debentures</td><td>3,00,000</td><td>Land and Building</td><td>4,30,000</td></tr> <tr> <td>Sundry Suppliers</td><td>80,000</td><td>Patents and Copyrights</td><td>50,000</td></tr> <tr> <td></td><td></td><td>Computers and Softwares</td><td>3,70,000</td></tr> <tr> <td></td><td></td><td>Stock</td><td>80,000</td></tr> <tr> <td></td><td></td><td>Debtors</td><td>45,000</td></tr> <tr> <td></td><td></td><td>Cash</td><td>1,000</td></tr> <tr> <td></td><td></td><td>Profit and Loss A/c</td><td>84,000</td></tr> <tr> <td></td><td>11,80,000</td><td></td><td>11,80,000</td></tr> </tbody> </table> <p>The following Scheme of reconstruction was sanctioned :</p> <ol style="list-style-type: none"> The equity shares be reduced by ₹ 50 each. Debenture holders total claim be reduced to ₹ 1,80,000 and this would be satisfied by issue of the equity shares. Sundry creditors have agreed to reduce their claim by ₹ 16,000. Out of the balance available the company decided to write off goodwill, Profit and Loss A/c and patents completely and Computers and softwares by ₹ 2,25,000 <p>Give Journal Entries to implement the scheme and draft the Balance sheet thereafter.</p> <p style="text-align: center;">OR</p>	Liabilities	₹	Assets	₹	8,000 Equity Shares of ₹ 100 each	8,00,000	Goodwill	1,20,000	9% Debentures	3,00,000	Land and Building	4,30,000	Sundry Suppliers	80,000	Patents and Copyrights	50,000			Computers and Softwares	3,70,000			Stock	80,000			Debtors	45,000			Cash	1,000			Profit and Loss A/c	84,000		11,80,000		11,80,000	15	02
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Q1 B	<p>Mr. Shivam holds 12% Debentures of ₹100 each issued by Tata Motors Ltd. as on 1 April 2022 at a cost of ₹ 1,20,000. Interest is payable on 30th September and 31st March every year. Following transactions were made by Mr. Shivam which are as follows.</p> <table border="1" data-bbox="310 371 1133 721"> <thead> <tr> <th>Date</th><th>Particulars</th><th>No</th><th>Rate</th></tr> </thead> <tbody> <tr> <td>30/6/2022</td><td>Purchase</td><td>500</td><td>102 cum-interest</td></tr> <tr> <td>1/10/2022</td><td>Purchase</td><td>500</td><td>97 ex-interest</td></tr> <tr> <td>31/12/2022</td><td>Sale</td><td>700</td><td>110 cum-interest</td></tr> <tr> <td>1/2/2023</td><td>Sale</td><td>300</td><td>98 ex-interest</td></tr> <tr> <td>1/3/2023</td><td>Purchase</td><td>200</td><td>105 cum-interest</td></tr> </tbody> </table> <p>The books of accounts are closed on 31st March every year.</p> <p>Prepare Investment in 12% Debentures A/c in the books of Shivam Ltd for the year ended 31/3/2023.</p>	Date	Particulars	No	Rate	30/6/2022	Purchase	500	102 cum-interest	1/10/2022	Purchase	500	97 ex-interest	31/12/2022	Sale	700	110 cum-interest	1/2/2023	Sale	300	98 ex-interest	1/3/2023	Purchase	200	105 cum-interest	15	03				
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Q2 A	<p>Following is Balance Sheet of Vijay Ltd.</p> <table border="1" data-bbox="275 931 1180 1340"> <thead> <tr> <th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr> </thead> <tbody> <tr> <td>Equity Shares of ₹ 10</td><td>3,00,000</td><td>Land & Building</td><td>3,50,000</td></tr> <tr> <td>General Reserve</td><td>60,000</td><td>Furniture</td><td>80,000</td></tr> <tr> <td>Profit & Loss A/c</td><td>1,60,000</td><td>Stock</td><td>40,000</td></tr> <tr> <td>Export Profit Reserve</td><td>60,000</td><td>Trade Receivable</td><td>1,10,000</td></tr> <tr> <td>Trade Payable</td><td>90,000</td><td>Bank</td><td>90,000</td></tr> <tr> <td></td><td>6,70,000</td><td></td><td>6,70,000</td></tr> </tbody> </table> <p>On the above date Jay Ltd took over the business Vijay Ltd (including cash and bank balance) on following terms.</p> <ol style="list-style-type: none"> All the assets and liabilities are taken over at book values except the following which were revalued land & building ₹6,00,000 furniture and fittings ₹ 50,000. Purchase consideration is settled by issuing 60,000 Equity Shares in Jay Ltd of ₹ 10 each at ₹ 15 each and also paid cash ₹ 3,00,000. <p>You are required to prepare ledger account in the books of Vijay Ltd and Journal entries in the books of Jay Ltd.</p> <p style="text-align: center;">OR</p>	Liabilities	₹	Assets	₹	Equity Shares of ₹ 10	3,00,000	Land & Building	3,50,000	General Reserve	60,000	Furniture	80,000	Profit & Loss A/c	1,60,000	Stock	40,000	Export Profit Reserve	60,000	Trade Receivable	1,10,000	Trade Payable	90,000	Bank	90,000		6,70,000		6,70,000	15	01
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Q2 B	<p>On 1st April 2022 Mr Vinay had 30,000 equity shares of ₹10 each of Spectrum limited purchased at a cost of ₹ 4,50,000. On 22nd June 2022 he purchased another 5000 shares of the company for ₹80,000.</p> <p>The directors of company announced a bonus issue of equity shares in</p>	15	03																												



the ratio of one share for seven shares held on 16th August 2022.

On 31st August 2022 company made a right issue in the ratio of 3 shares for 8 shares held on payment of ₹15 per share. Due date for the payment was 30th September 2022. Mr Vinay subscribed to 2/3 of the right shares and sold remaining of his entitlement to Vinayak for a consideration of ₹2 per share.

31st October 2022 received dividend from the company at 20% for the year end date 31st March 2022.

On 15th November 2022 Vinay sold 30,000 equity shares at a premium of ₹5 per share. You are required to prepare investment account in the books of Mr Vinay assuming books are closed on 31st March 2023.

Q3 A

The Summerised Balance sheet of S Ltd as on 31/3/2023 is as follows.

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05

Particulars	₹
6,00,000 Equity Shares of ₹ 10 each	60,00,000
Securities Premium	4,00,000
Profit & Loss A/c	20,00,000
13% Debentures	28,00,000
Creditors	10,00,000
Total	1,22,00,000
Fixed Assets	67,00,000
Investments	25,00,000
Curren Assets	30,00,000
	1,22,00,000

Ascertain the maximum number of equity shares can buy back at the maximum possible price under the law. Record Journal entries and prepare balance sheet.

OR

Q3 B

Sonia Ltd decided to liquidate itself on 31/3/2023, balance sheet on that date was as follows.

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04

Liabilities	₹	Assets	₹
6% Pref shares of 100 each	1,00,000	Land & Building	2,00,000
Equity shares of 100 each fully paid	2,00,000	Plant & Machinery	2,20,000

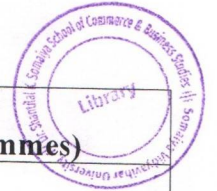
	<table><tr><td>Equity Shares of 100 each ₹ 50 paid up</td><td>1,50,000</td><td>Stock</td><td>1,00,000</td></tr><tr><td>6% Debentures</td><td>1,00,000</td><td>Debtors</td><td>1,00,000</td></tr><tr><td>Loan (secured by Land & Building)</td><td>1,00,000</td><td>Bank</td><td>30,000</td></tr><tr><td>Creditors</td><td>90,000</td><td>Profit & Loss A/c</td><td>1,00,000</td></tr><tr><td>Income Tax payable</td><td>10,000</td><td></td><td></td></tr><tr><td></td><td>7,50,000</td><td></td><td>7,50,000</td></tr></table> <p>Preference dividend was in arrears for three years, arrears are payable on liquidation. Assets were liquidated as follows.</p> <p>Land & Building : 2,40,000, Plant & Machinery : 1,80,000, Stock : 70,000, Debtors : 6,000.</p> <p>The expenses of liquidation amounted to ₹ 8,000.</p> <p>The liquidator is entitled to a commission at 2% on all assets realised and 3% on amounts distributed to unsecured creditors.</p> <p>All payments are made on 30 September 2023.</p> <p>You are required to present Liquidators Final Statement of account.</p>	Equity Shares of 100 each ₹ 50 paid up	1,50,000	Stock	1,00,000	6% Debentures	1,00,000	Debtors	1,00,000	Loan (secured by Land & Building)	1,00,000	Bank	30,000	Creditors	90,000	Profit & Loss A/c	1,00,000	Income Tax payable	10,000				7,50,000		7,50,000		
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Income Tax payable	10,000																										
	7,50,000		7,50,000																								
Q4	Answer following	15																									
Q4 A	<p>Liquidator of X Ltd. is entitled for 3 % commission on assets realized and 2% on payment to unsecured creditors.</p> <p>Assets Realised 3,00,000</p> <p>Preferential Creditor 10,000</p> <p>Unsecured Creditor 2,00,000</p> <p>Calculate total commission payable to liquidator.</p>	5	4																								
Q4 B	<p>The Fair Value of Assets and Liabilities of Shobha Ltd is as follows.</p> <table><tr><th>Particulars</th><th>₹</th></tr><tr><td>12% Debentures</td><td>6,00,000</td></tr><tr><td>8% Bank Loan</td><td>2,00,000</td></tr><tr><td>Sundry Creditors</td><td>1,40,000</td></tr><tr><td>Land</td><td>7,50,000</td></tr><tr><td>Buildings</td><td>5,00,000</td></tr><tr><td>Furniture</td><td>1,00,000</td></tr><tr><td>Goodwill</td><td>1,20,000</td></tr><tr><td>Current Assets</td><td>3,40,000</td></tr></table> <p>Varun Ltd Take over Shobha Ltd and issue 5,000 Equity Shares of 100 each fully paid, Cash 5,000 and balance in 10% Preference Share. Calculate Purchase consideration and show how it is discharged.</p>	Particulars	₹	12% Debentures	6,00,000	8% Bank Loan	2,00,000	Sundry Creditors	1,40,000	Land	7,50,000	Buildings	5,00,000	Furniture	1,00,000	Goodwill	1,20,000	Current Assets	3,40,000	5	1						
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Q4 C	<p>X Ltd. is going through the process of Internal Reconstruction. Pass Journal Entries for the following.</p> <ol style="list-style-type: none"> Fixed Assets 10,00,000 appreciated by 10% Goodwill 5,00,000 and Patents 2,00,000 to be written off. Lenders of 8% loan 15,00,000 are ready to waive 50% amount. Balance of capital reduction of any to be transferred to Capital Reserve. 	5	2





SOMAIYA
VIDYAVIHAR UNIVERSITY



Semester (October 2023)

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

Programme code: 03

Programme: BAF (H)

Class: TY

BAF (H)

Semester: V

Name of the Constituent College: S K Somaiya College

**Name of the Department :
Accounting and Finance**

Course Code: 131U03C501

Name of the Course: Corporate Accounting - III

Duration : 2 Hrs.

Maximum Marks : 60

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

Question No.		Max. Marks	Co Attainment																																												
Q1 A	<p>Rahul Company Ltd. after a series of trade losses decided to reconstruct on 31.12.2022. The Balance Sheet of the Company was as follows.</p> <p style="text-align: center;">Balance Sheet as pa 31/12/2022</p> <table><tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr><tr><td>35000 Equity Shares of ₹ 10 each</td><td>3,50,000</td><td>Plant</td><td>63,000</td></tr><tr><td>S. Creditors</td><td>35,000</td><td>Stock</td><td>35,000</td></tr><tr><td></td><td></td><td>S. Debtors</td><td>19,600</td></tr><tr><td></td><td></td><td>Patents</td><td>31,500</td></tr><tr><td></td><td></td><td>Land</td><td>1,61,000</td></tr><tr><td></td><td></td><td>Cash</td><td>1,400</td></tr><tr><td></td><td></td><td>Preliminary Exp</td><td>14,000</td></tr><tr><td></td><td></td><td>Profit & Loss A/c</td><td>17,500</td></tr><tr><td></td><td></td><td>Goodwill</td><td>42,000</td></tr><tr><td></td><td>3,85,000</td><td></td><td>3,85,000</td></tr></table> <p>The following scheme of reconstruction was sanctioned by the shareholders:</p> <ol style="list-style-type: none">Goodwill, patents and preliminary expenses are to be written off completely.Plant is to be reduced by 20% and debtors by 25%.Stock is to be valued at ₹ 17,500.Shareholders to receive in lieu of their present holdings as follows.	Liabilities	₹	Assets	₹	35000 Equity Shares of ₹ 10 each	3,50,000	Plant	63,000	S. Creditors	35,000	Stock	35,000			S. Debtors	19,600			Patents	31,500			Land	1,61,000			Cash	1,400			Preliminary Exp	14,000			Profit & Loss A/c	17,500			Goodwill	42,000		3,85,000		3,85,000	15	02
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	<p>i) Fully paid equity shares to 2/5 of their holding.</p> <p>ii) 8% preference shares fully paid to the extent of 1/5 of the above new equity shares.</p> <p>iii) ₹ 42,000 in 8% Debentures.</p> <p>Give the Journal Entries of reconstruction and prepare a new Balance Sheet in the books of Rahul Company Ltd.</p> <p style="text-align: center;">OR</p>																																						
Q1 B	<p>Mr. J holds 2,400 6% Debentures of 100 each in Reliance Ltd. as on 1/4/2022 at a cost of ₹ 2,80,000. Interest is payable on 30th Jun and 31st Dec every year. Other details are as follows.</p> <p>On 1/6/2022 800 6% Debentures purchased cum-interest at ₹ 81,600.</p> <p>On 1/11/2022 800 6% Debentures purchased ex-interest at ₹ 76,800.</p> <p>On 30/11/2022 1200 6% Debentures sold cum-interest at ₹ 1,29,000.</p> <p>On 31/12/2022 1600 6% Debentures sold ex-interest at ₹ 1,54,600.</p> <p>Prepare 6% Debentures account in the books of Mr. J for the year ended 31/3/2023.</p>	15	03																																				
Q2 A	<p>Balance Sheet of M/s Ketan Ltd. as on 31/3/2023 as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Liabilities</th><th style="text-align: center;">₹</th><th style="text-align: left;">Assets</th><th style="text-align: center;">₹</th></tr> </thead> <tbody> <tr> <td>Equity Shares of ₹ 10 each</td><td style="text-align: right;">4,00,000</td><td>Fixed Assets</td><td style="text-align: right;">7,50,000</td></tr> <tr> <td>Preference Shares of ₹ 100 each</td><td style="text-align: right;">1,00,000</td><td>Investments</td><td style="text-align: right;">50,000</td></tr> <tr> <td>Securities Premium</td><td style="text-align: right;">1,27,500</td><td>Current Assets</td><td style="text-align: right;">10,00,000</td></tr> <tr> <td>General Reserve</td><td style="text-align: right;">1,00,000</td><td></td><td></td></tr> <tr> <td>Profit & Loss A/c</td><td style="text-align: right;">1,22,500</td><td></td><td></td></tr> <tr> <td>Debentures</td><td style="text-align: right;">8,00,000</td><td></td><td></td></tr> <tr> <td>Current Liabilities</td><td style="text-align: right;">1,50,000</td><td></td><td></td></tr> <tr> <td></td><td style="text-align: right;">18,00,000</td><td></td><td style="text-align: right;">18,00,000</td></tr> </tbody> </table> <p>Keeping in view the legal requirement, ascertain the maximum number of equity shares that Ketan Ltd. can buy back @ ₹ 25 per share.</p> <p>Pass Journal Entries to record buy back and prepare a Balance Sheet thereafter.</p> <p style="text-align: center;">OR</p>	Liabilities	₹	Assets	₹	Equity Shares of ₹ 10 each	4,00,000	Fixed Assets	7,50,000	Preference Shares of ₹ 100 each	1,00,000	Investments	50,000	Securities Premium	1,27,500	Current Assets	10,00,000	General Reserve	1,00,000			Profit & Loss A/c	1,22,500			Debentures	8,00,000			Current Liabilities	1,50,000				18,00,000		18,00,000	15	05
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Q2 B

Mr, Ashok entered into following transactions of Equity Shares of ₹ 10 each of Anmol Ltd.

Date	No of Shares	Details
1/4/2022	1,500	₹ 34,500 Cost (Opening)
15/5/2022	1,000	Purchase @ 22 per share
15/7/2022	2,500	Bonus Shares received
15/12/2022	1,500	Sale @ 22 per share
1/3/2023	1,000	Sale @ 24 per share

Additional Information :

- On 1st Sept 2022 dividend @ ₹ 3 per share for the year ended 31/3/2022.
- On 10/11/2022, the company made a right issue of equity shares in the ratio of one share for every five shares held on payment of ₹ 20 per share.

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

You are required to prepare in Investment in Equity Shares in the books of Mr. Ashok for year ended 31/3/2023.

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03



Q3 A

P Ltd. agreed to take over business of M Ltd. as on 31/3/2023. The following is the balance sheet of M Ltd. as under.

Liabilities	₹	Assets	₹
Equity shares of 10 each	60,000	Goodwill	10,000
General Reserve	17,000	Building	30,000
Profit & Loss A/c	11,000	Machinery	34,000
6% Debentures	10,000	Stock	16,800
Creditors	2,000	Book Debts	3,600
		Axis Bank	5,600
	1,00,000		1,00,000


The consideration payable by P Ltd was agreed as follows.

- Cash payment of ₹ 2.50 per share in M Ltd.
- Issue 9,000 fully paid shares of 10 each of P Ltd. having agreed value of ₹ 15 per share.
- It was further agreed for issue of fully paid 8% Debentures of ₹ 100 each P Ltd at ₹ 96 each, which will be sufficient to

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01

	<p>discharge 6% Debentures in M Ltd at 20% premium.</p> <p>4. The Assets and Liabilities were valued as under for the purpose of takeover. Building and Machinery ₹ 60,000 each, Stock 14,200, RDD to be created 5% on Debtors.</p> <p>5. Cost of Liquidation of M Ltd. ₹ 500.</p> <p>You are required to draw necessary ledger accounts in the books of M Ltd and also show journal entries in P Ltd.</p>																														
Q3 B	<p>Golden Ltd. Pune went into Voluntary liquidation on 1st January, 2018; when their Balance Sheet was as follows :</p> <table border="1"> <thead> <tr> <th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr> </thead> <tbody> <tr> <td>20,000 5% Preference Share Capital of ₹ 10 each</td><td>2,00,000</td><td>Plant and Machinery</td><td>2,80,000</td></tr> <tr> <td>20,000 Equity Shares of ₹ 10 each</td><td>2,00,000</td><td>Stock</td><td>1,30,000</td></tr> <tr> <td>6% Debentures</td><td>50,000</td><td>Sundry Debtors</td><td>1,20,000</td></tr> <tr> <td>Sundry Creditors</td><td>1,05,000</td><td>Cash in hand</td><td>2,000</td></tr> <tr> <td></td><td></td><td>Profit & Loss A/c</td><td>23,000</td></tr> <tr> <td></td><td>5,55,000</td><td></td><td>5,55,000</td></tr> </tbody> </table> <p>The liquidator realised the assets as follows : Plant and Machinery ₹ 2,00,000, Stock ₹ 80,000, Sundry Debtors ₹ 1,00,000.</p> <p>The Expenses of liquidation amounted to ₹ 3,900, and the liquidator's remuneration was agreed at 2% on realisation of assets excluding cash and 2% on amount distributed to equity shareholders.</p> <p>The Debenture holders are paid their dues on 30th June, 2018. All the Creditors' claims were admitted and paid in full.</p> <p>Prepare Liquidator's Final Statement of Account</p>	Liabilities	₹	Assets	₹	20,000 5% Preference Share Capital of ₹ 10 each	2,00,000	Plant and Machinery	2,80,000	20,000 Equity Shares of ₹ 10 each	2,00,000	Stock	1,30,000	6% Debentures	50,000	Sundry Debtors	1,20,000	Sundry Creditors	1,05,000	Cash in hand	2,000			Profit & Loss A/c	23,000		5,55,000		5,55,000	15	04
Liabilities	₹	Assets	₹																												
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	5,55,000		5,55,000																												
Q4	Answer Following	15																													
Q4 A	<p>Neha Ltd. Resolved to buyback 60,000 of its fully paid equity shares of ₹ 10 each at 20% premium. The company issued 2,000 14% preference shares of ₹ 100 each at par for this. The company uses ₹ 1,70,000 of its balance in securities premium apart from its sufficient balance in general reserve regarding buyback. Pass Journal Entries in the books of the Company.</p>	05	05																												
Q4 B	<p>X Ltd is in the process of Internal Reconstruction. Pass Journal Entries for the following.</p>	05	02																												

	<p>a. Fixed Assets of ₹ 2,00,000 reduced to ₹ 1,75,000</p> <p>b. Write off Goodwill 2,50,000</p> <p>c. It has Creditors of ₹ 5,00,000, 20% amount to be forgone and remaining is converted to 8% Debentures.</p> <p>d. 1,60,000 Equity Shares of ₹ 10 reduced to ₹ 5 per share.</p>														
Q4 C	<p>The Ultra Ltd. went into liquidation. Its assets realized ₹ 3,50,000 excluding amount realized by sale of assets hypothecated towards creditors. The following was the position :</p> <p>Share Capital 50,000 shares of ₹ 10 each</p> <table><tr><td>Secured Creditors (Securities realized ₹ 40,000)</td><td>35,000</td></tr><tr><td>Preferential creditors</td><td>6,000</td></tr><tr><td>Unsecured creditors</td><td>1,40,000</td></tr><tr><td>Debentures having a floating charge on the assets</td><td>2,50,000</td></tr><tr><td>Liquidation expenses</td><td>5,000</td></tr><tr><td>Liquidator's Remuneration</td><td>7,500</td></tr></table> <p>Prepare Liquidator's Statement of Account.</p>	Secured Creditors (Securities realized ₹ 40,000)	35,000	Preferential creditors	6,000	Unsecured creditors	1,40,000	Debentures having a floating charge on the assets	2,50,000	Liquidation expenses	5,000	Liquidator's Remuneration	7,500	05	04
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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 & 03

Programme: BAF & BAF (Hons.)

Class: TY

Semester: V

Name of the Constituent College: S K Somaiya College

Name of the Department: Accounting and Finance

Course Code: 131U02C502/
131U03C502

Name of the Course: Cost and Management Accounting III

Duration : 1 Hr.

Maximum Marks: 60

Instructions: 1) Working Note should form part of your answers.
2) Assume suitable data if necessary.
3) All questions are compulsory.

Question No.		Ma x. Ma rks	Co Atta inm ent																																								
Q.1	<p>A. Costman Ltd. maintains a separate set of books for financial accounts and cost accounts. The following information is furnished for the year 2022.</p> <table><tr><th>Particulars</th><th>Amt (Rs.)</th></tr><tr><td>Opening Balances</td><td></td></tr><tr><td>Material Control A/C</td><td>60,000</td></tr><tr><td>Work in progress control A/c</td><td>90,000</td></tr><tr><td>Finished Goods Control A/c</td><td>1,40,000</td></tr><tr><td>General ledger Control A/c</td><td>2,90,000</td></tr><tr><td>Transactions for the year are:</td><td></td></tr><tr><td>Materials purchased</td><td>6,60,000</td></tr><tr><td>Materials issued as:</td><td></td></tr><tr><td>-Direct</td><td>4,50,000</td></tr><tr><td>-Indirect</td><td>1,20,000</td></tr><tr><td>Wages paid and allocated:</td><td></td></tr><tr><td>-Direct</td><td>2,70,000</td></tr><tr><td>-Indirect</td><td>90,000</td></tr><tr><td>Production expenses</td><td>2,40,000</td></tr><tr><td>Finished goods produced</td><td>10,80,000</td></tr><tr><td>Closing stock of finished goods</td><td>1,20,000</td></tr><tr><td>Administrative expenses</td><td>2,40,000</td></tr><tr><td>Selling Expenses</td><td>1,80,000</td></tr><tr><td>Sales</td><td>18,00,000</td></tr></table> <p>Prepare necessary Control Accounts in Costing records under Non-Integrated system.</p> <p style="text-align: center;">OR</p> <p>B. A company currently has an annual turnover of ₹ 50 lakhs and average collection period of 30 days. The company wants to experiment with a more liberal credit policy on the grounds that increase in collection period will generate additional sales.</p>	Particulars	Amt (Rs.)	Opening Balances		Material Control A/C	60,000	Work in progress control A/c	90,000	Finished Goods Control A/c	1,40,000	General ledger Control A/c	2,90,000	Transactions for the year are:		Materials purchased	6,60,000	Materials issued as:		-Direct	4,50,000	-Indirect	1,20,000	Wages paid and allocated:		-Direct	2,70,000	-Indirect	90,000	Production expenses	2,40,000	Finished goods produced	10,80,000	Closing stock of finished goods	1,20,000	Administrative expenses	2,40,000	Selling Expenses	1,80,000	Sales	18,00,000	15	CO1
Particulars	Amt (Rs.)																																										
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Selling Expenses	1,80,000																																										
Sales	18,00,000																																										
		15	CO5																																								

From the following information, kindly indicate which policy the company should adopt:

Credit Policy	Average Collection Period	Annual Sales
A	45 days	56,00,000
B	60 days	60,00,000
C	75 days	62,00,000
D	90 days	63,00,000

Costs: Variable cost: 80% of Sales; Fixed cost: ₹ 6 Lakhs per annum

Required (pre-tax) return on investment: 20%

A Year may be taken to comprise of 360 days.

Q.2 A. From the following details prepare a) Statement at Equivalent Production
b) Statement of Cost per equivalent unit c) Statement of allocation of cost
d) Process A/C

15 CO3

Opening work in progress (units) valued as:	2,000
Materials	₹ 7,500
Labour	₹ 3,000
Overheads	₹ 1,500
Units introduced in this Process	8,000

There are 2,000 units in process at the end the stage of completion is estimated to be:

Material	100%
Labour	50%
Overheads	50%

8,000 units are transferred to next process.

The process costs for the period are:

Material	₹ 1,00,000
Labour	₹ 78,000
Overheads	₹ 39,000

Use Average Method.

OR

B. Prepare Process cost accounts and Finished goods account showing profit element at each stage.

Particulars	Process I ₹	Process II ₹	Process III ₹	Finished Stock ₹
Opening Stock	5,000	8,000	10,000	20,000
Direct Material	40,000	12,000	15,000	-
Direct Wages	35,000	40,000	35,000	-
Manufacturing Overheads	20,000	24,000	20,000	-
Closing Stock	10,000	4,000	15,000	30,000
Profit % on Transfer Price to next process	25%	20%	10%	
Inter – Process Profit for Opening Stock	-	1,395	2,690	6,534

Stock in process is valued at prime cost and finished stock has been valued at the price at which it is received from Process III. Sales during the period were ₹ 4,00,000.

15 CO3

Q.3

A. The Summary Balance Sheet of Rupesh Ltd. are as follows.

Balance Sheet as at 31st March, 2022 and 2023

Liabilities	2022 ₹	2023 ₹	Assets	2022 ₹	2023 ₹
Equity Share Capital	3,00,000	5,00,000	Goodwill	1,10,000	90,000
General Reserve	-	60,000	Land & Building	1,60,000	1,80,000
Profit & Loss A/c	-	58,000	Plant & Machinery	80,000	2,00,000
Debenture	2,00,000	-	Stock	84,000	1,06,000
Sundry Creditors	1,14,000	92,000	Debtors	1,80,000	1,56,000

15 CO4

Bills Payable	60,000	12,000	Advance Income Tax	-	40,000
Provision for Income Tax	-	50,000	Bills Receivable	16,000	24,000
Proposed Dividend	-	40,000	Prepaid Expenses	12,000	8,000
			Cash in Hand	20,000	8,000
			Profit & Loss A/c	12,000	-
Total	6,74,000	8,12,000	Total	6,74,000	8,12,000

Additional Information:

1. During the year ended 31-03-2023 Depreciation of ₹ 16,000 and ₹ 20,000 have been charged on Land and Building and Plant and Machinery respectively.
2. An Interim Dividend of ₹ 15,000 was paid during the year ended on 31-03-2023.
3. During the year Machinery having book-value of ₹ 16,000 was sold for ₹ 14,000.

Prepare Cash Flow Statement by Indirect Method for the year ended 31st March, 2023 as per AS – 3.

OR

15 CO5

B. From the following information prepare Operating cost statement for Hotel “Rajdhani” and also suggest room rent to be charged per day so that owner earns profit @ 25% on capital employed Rs. 90,00,000.

- a. Staff salaries Rs. 5,00,000 p.a.
- b. Room attendant charges Rs. 300 per day per room when occupied
- c. Power Rs. 300 p.m. per room when occupied during summer and Rs. 200 per room when occupied in winter.
- d. Repairs to building Rs. 50,000 p.a.
- e. Sundries Rs. 2,00,000 p.a.
- f. Furnishings Rs. 1,00,000 p.a.
- g. Depreciate building at 10% p.a. on Rs. 50,00,000 and Furniture on 10,00,000 at 20% p.a.

There are 200 rooms in the hotel. 60% of the rooms are occupied in summer and 20% of the rooms are occupied in winter.

During the year, summer is 8 months and winter is 4 months, assume 30 days a month.

Q.4

Concept Based Questions (3 Marks each)

15

A. Pass journal entry under integrated cost record for: i. Cash Sales ii. Absorption of selling and distribution overheads.

CO1

B. There are 200 rooms in a hotel. 80% rooms are occupied in summer and 60% rooms are occupied in winter. Period of summer and winter can be taken as 6 months each. A month may be assumed of 30 days of an average. Calculate customer-day occupancy of a hotel for the year.

CO2

C. The company uses process costing system. Input: 20,000 units; output: 19,850 units; Opening stock: 400 units (100% complete for material and 70% complete for labour and overheads); Closing stock: 550 units (100% complete for material and 30% complete for labour and overheads). Calculate equivalent units under FIFO method.

CO3

D. Calculate optimum cash using Baumol's model:

CO4

Annual Cash Disbursements	Rs. 25,20,000
Handling Cost	Rs. 5
Holding Cost	7.5% p.a.

E. Calculate Debtors turnover and Collection period:

CO5

Net credit sales: Rs. 9,00,000

Net Debtors: Rs. 50,000

Net Bills Receivable: Rs. 40,000



SOMAIYA
VIDYAVIHAR UNIVERSITY



A

Semester (July 2023 to October 2023)			
Examination: End Semester Examination October/November 2023 (UG Programmes)			
Programme code: 02 & 03		Class: TY	Semester: V
Programme: BAF & BAF (Hons.)			
Name of the Constituent College: S K Somaiya College		Name of the Department: Accounting and Finance	
Course Code: 131U02C502/ 131U03C502		Name of the Course: Cost and Management Accounting III	
Duration : 1 Hr.		Maximum Marks: 60	
Instructions: 1) Working Note should form part of your answers. 2) Assume suitable data if necessary. 3) All questions are compulsory.			

Questi on No.		Max. Mark s	Co Atta inm ent																																						
Q.1	<p>A. As on 31st March, 2022 the following balances existed in Sharad Co's Non-integrated Cost Ledger.</p> <table><tr><th>Particulars</th><th>Debit (Rs.)</th><th>Credit (Rs.)</th></tr><tr><td>Stores Ledger Control A/C</td><td>6,02,870</td><td></td></tr><tr><td>Work in Progress Control A/C</td><td>2,44,730</td><td></td></tr><tr><td>Finished Stock Ledger Control A/c</td><td>5,03,890</td><td></td></tr><tr><td>Manufacturing Overhead Control A/c</td><td></td><td>21,050</td></tr><tr><td>General Ledger Control A/C</td><td></td><td>13,30,440</td></tr></table> <p>The following transactions took place during the next year.</p> <table><tr><th>Particulars</th><th>Amt (Rs.)</th></tr><tr><td>Finished Product (At cost)</td><td>4,21,670</td></tr><tr><td>Manufacturing overheads incurred</td><td>1,83,020</td></tr><tr><td>Raw material purchased</td><td>2,46,000</td></tr><tr><td>Factory Wages</td><td>1,01,060</td></tr><tr><td>Indirect Labour</td><td>43,330</td></tr><tr><td>Cost of Sales</td><td>3,71,780</td></tr><tr><td>Material issued to production</td><td>2,54,630</td></tr><tr><td>Materials returned to supplier</td><td>5,800</td></tr><tr><td>Manufacturing overheads charged to production</td><td>1,54,400</td></tr></table> <p>You are required to write up: General Ledger Control A/C, Stores Ledger Control A/C, Manufacturing Overhead Control A/C, Work in progress Control A/C, Finished stock Control A/C, Cost of Sales A/C and Trial Balance.</p> <p style="text-align: center;">OR</p> <p>B. Hero Motors Ltd. currently has an annual turnover of Rs.10,00,000 and an average collection period of 45 days. The company wants to experiment with more liberal credit policy. From the following information, kindly state which policies company should adopt:</p>	Particulars	Debit (Rs.)	Credit (Rs.)	Stores Ledger Control A/C	6,02,870		Work in Progress Control A/C	2,44,730		Finished Stock Ledger Control A/c	5,03,890		Manufacturing Overhead Control A/c		21,050	General Ledger Control A/C		13,30,440	Particulars	Amt (Rs.)	Finished Product (At cost)	4,21,670	Manufacturing overheads incurred	1,83,020	Raw material purchased	2,46,000	Factory Wages	1,01,060	Indirect Labour	43,330	Cost of Sales	3,71,780	Material issued to production	2,54,630	Materials returned to supplier	5,800	Manufacturing overheads charged to production	1,54,400	15	CO1
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	<table><tr><th>Credit Policy</th><th>Increased credit period</th><th>Sales</th></tr><tr><td>1</td><td>60 days</td><td>Rs. 10,50,000</td></tr><tr><td>2</td><td>75 days</td><td>Rs. 10,80,000</td></tr><tr><td>3</td><td>85 days</td><td>Rs. 11,00,000</td></tr><tr><td>4</td><td>105 days</td><td>Rs. 11,25,000</td></tr></table> <p>The selling price of the product is Rs. 5, and the variable cost per unit is Rs.3. There are no fixed cost incurred. The required rate of return on investment is 20%. A year can be taken as 360 days.</p>	Credit Policy	Increased credit period	Sales	1	60 days	Rs. 10,50,000	2	75 days	Rs. 10,80,000	3	85 days	Rs. 11,00,000	4	105 days	Rs. 11,25,000																	
Credit Policy	Increased credit period	Sales																															
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2	75 days	Rs. 10,80,000																															
3	85 days	Rs. 11,00,000																															
4	105 days	Rs. 11,25,000																															
Q.2	<p>A. A Ltd. produces product AXE which passes through two processes before it is completed and transferred to finished stock. The following data relate to October 2023.</p> <table><tr><th rowspan="2">Particulars</th><th colspan="2">Process</th><th rowspan="2">Finished Stock ₹</th></tr><tr><th>I ₹</th><th>II ₹</th></tr><tr><td>Opening Stock</td><td>7,500</td><td>9,000</td><td>22,500</td></tr><tr><td>Direct Material</td><td>15,000</td><td>15,750</td><td></td></tr><tr><td>Direct Wages</td><td>11,200</td><td>11,250</td><td></td></tr><tr><td>Factory Overheads</td><td>10,500</td><td>4,500</td><td></td></tr><tr><td>Closing Stock</td><td>3,700</td><td>4,500</td><td>11,250</td></tr><tr><td>Inter – process profit includes in opening Stock</td><td>-</td><td>1,500</td><td>8,250</td></tr></table> <p>Output of process I is transferred to process II at 25% profit on the transfer price.</p> <p>Output of process II is transferred to finished stock at 20% profit on the transfer price. Stocks In process are valued at prime cost. Finished stock is valued at the price at which it is received from the process II. Sales during the period are ₹ 1,40,000.</p> <p>Required: Process cost accounts and finished goods account showing the profit element at each state.</p> <p style="text-align: center;">OR</p> <p>B. Avdoot Ltd. manufactures a special product and follows process costing system. The work-in-progress at the end of each month is valued according to FIFO method. At the beginning of the month of January, the inventory of work-progress showed the 2000 units (40% completed for material, labour and</p>	Particulars	Process		Finished Stock ₹	I ₹	II ₹	Opening Stock	7,500	9,000	22,500	Direct Material	15,000	15,750		Direct Wages	11,200	11,250		Factory Overheads	10,500	4,500		Closing Stock	3,700	4,500	11,250	Inter – process profit includes in opening Stock	-	1,500	8,250	15	CO3
Particulars	Process		Finished Stock ₹																														
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		15	CO3																														

overheads) valued as follows :

Materials	₹ 18,000
Labour	₹ 17,000
Overhead	₹ 5,000

In the month of January, materials issued for production were 13000 units valued at ₹ 3,42,500. Wages and overhead in the month amounted to ₹ 4,06,200 and ₹1,12,200 respectively. Finished production taken into stock in the month was 12,500 units. There was no loss in process.

At the end of the month, the work-in-progress inventory was 2500 units, 80% complete as regards materials and 60% complete as regards labour and overhead.

You are required to prepare a) Statement at Equivalent Production b) Statement of Cost per equivalent unit c) Statement of allocation of cost d) Process A/C.



Q.3 A. Following are the summarised Balance Sheets of Rajesh Industries Private Limited as on 31st March 2022 and March 2023. 15 CO4

Balance Sheet

Liabilities	2022 ₹	2023 ₹	Assets	2022 ₹	2023 ₹
Share Capital	5,00,000	5,00,000	Premises	4,75,000	5,00,000
General Reserve	1,00,000	1,25,000	Machinery	4,22,500	3,75,000
Profit and Loss A/c	76,500	76,250	Equipment	40,500	45,000
Term Loan from ICICI	2,05,000	1,75,000	Stock	71,500	1,12,500
Sundry Creditors	2,31,250	2,75,000	Sundry Debtors	1,60,000	2,00,000
Provision for Taxation	76,250	84,250	Cash	7,000	3,000
			Goodwill	12,500	-

Total	11,89,000	12,35,500	Total	11,89,000	12,35,500
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Other information:

1. Dividend (Interim) of ₹ 25,000 was paid during the year.
2. Depreciation on Premises is Provided at ₹ 23,750.
3. Machinery of ₹ 75,000 was acquired during the year.
4. Income Tax Provision for the Year was ₹ 75,000.

Prepare Cash Flow Statement by Indirect Method for the year ended 31st March, 2023 as pe AS – 3.

OR

B. Rahi transport Co. operates a luxury bus, which runs between Delhi to Jaipur and back for 10 days a month. The distance from Delhi to Jaipur is 200 kms. The bus completes the trip and comes back on the same day. The bus goes on Delhi to Agra trip for 10 days in a month. The distance from Delhi to Agra is 150 km. This trip is also completed on the same day. For 4 days in the month it runs in the local city covering 65 kms daily. The other information is given below:

Particulars	Amount (Rs.)
Cost of Bus	20,00,000
Depreciation	15% p.a.
Salary to driver	10,000 per month
Salary to conductor	8,000 per month
Salary of part time Accountant	4,500 per month
Insurance	10,800 per quarter
Diesel	49 per litre
Distance covered per litre	5 Kms
Token Tax	8,100 per quarter
Lubricant oil	Rs.300 per 100 kms
Repairs and maintenance	8,000 per month
Normal capacity	50 persons

The bus is generally occupied 90% of the capacity when it goes to Jaipur and 80% when it goes to Agra. It is always full when it runs within city. Calculate cost per passenger km.

15

CO5

Q.4 Concept Based Questions (3 Marks each)

15

A. Pass journal entry under integrated cost record for: i. Cash purchase of material ii. Issue of direct material to job

CO1

B. A vehicle makes three round trips daily carrying 40 passengers. Distance between two places is 50 kms. Calculate passenger kilometers for the month of August 2023 if vehicle operates every day.

CO2

C. The company uses process costing system. Input: 10,000 units; output: 9,850 units, Opening stock: 300 units (100% complete for material and 70% complete for labour and overheads); Closing stock: 450 units (100% complete for material and 30% complete for labour and overheads). Calculate

CO3

equivalent units under FIFO method.

D. Calculate optimum cash using Baumol's model:

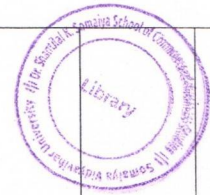
Annual Cash Disbursements	Rs. 1,20,000
Handling Cost	Rs. 50
Holding Cost	5% p.a.

E. Calculate Debtors turnover and Collection period:

Net credit sales: Rs. 2,40,000

Net Debtors: Rs. 30,000

Net Bills Receivable: Rs. 10,000



CO4

CO5



SOMAIYA
VIDYAVIHAR UNIVERSITY



(B)

Semester (July 2023 to October 2023)		
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)		
Programme code: 02 & 03	Class: TY	Semester: V
Programme: BAF & BAF (Hons.)		
Name of the Constituent College: S K Somaiya College	Name of the Department: Accounting and Finance	
Course Code: 131U02C301/ 131U03C502	Name of the Course: Cost and Management Accounting III	
Duration : 1 Hr.	Maximum Marks: 60	
Instructions: 1) Working Note should form part of your answers. 2) Assume suitable data if necessary. 3) All questions are compulsory.		

Que stio n No.		Max . Mar ks	Co Atta inm ent																																																															
Q.1	<p>A. Record the following transactions in the ledger under the integral system and prepare the trial balance.</p> <p>Trial balance at the beginning of the period is as follows:</p> <table><tr><th>Particulars</th><th>Debit (Rs.)</th><th>Credit (Rs.)</th></tr><tr><td>Bank</td><td>1,500</td><td></td></tr><tr><td>Stock:</td><td></td><td></td></tr><tr><td>Finished Goods</td><td>2,000</td><td></td></tr><tr><td>Work in Progress</td><td>3,250</td><td></td></tr><tr><td>Raw Materials</td><td>3,000</td><td></td></tr><tr><td>Creditors</td><td></td><td>1,000</td></tr><tr><td>Debtors</td><td>500</td><td></td></tr><tr><td>Fixed Assets</td><td>51,000</td><td></td></tr><tr><td>Capital Account</td><td></td><td>55,000</td></tr><tr><td>Reserves</td><td></td><td>5,250</td></tr></table> <p>Transactions during the year were:</p> <table><tr><th>Particulars</th><th>Rs.</th></tr><tr><td>Materials purchased on credit</td><td>5,000</td></tr><tr><td>Materials issued to production:</td><td></td></tr><tr><td>-Direct</td><td>3,500</td></tr><tr><td>-Indirect</td><td>500</td></tr><tr><td>Payment to Creditors</td><td>3,000</td></tr><tr><td>Wages paid:</td><td></td></tr><tr><td>-Direct</td><td>5,000</td></tr><tr><td>-Indirect</td><td>1,000</td></tr><tr><td>Finished goods produced</td><td>15,000</td></tr><tr><td>Cost of finished goods sold</td><td>16,000</td></tr><tr><td>Sales Value</td><td>20,000</td></tr><tr><td>Receipts from Debtors</td><td>17,500</td></tr><tr><td>Overheads Incurred and absorbed:</td><td></td></tr><tr><td>-Factory</td><td>3,000</td></tr></table>	Particulars	Debit (Rs.)	Credit (Rs.)	Bank	1,500		Stock:			Finished Goods	2,000		Work in Progress	3,250		Raw Materials	3,000		Creditors		1,000	Debtors	500		Fixed Assets	51,000		Capital Account		55,000	Reserves		5,250	Particulars	Rs.	Materials purchased on credit	5,000	Materials issued to production:		-Direct	3,500	-Indirect	500	Payment to Creditors	3,000	Wages paid:		-Direct	5,000	-Indirect	1,000	Finished goods produced	15,000	Cost of finished goods sold	16,000	Sales Value	20,000	Receipts from Debtors	17,500	Overheads Incurred and absorbed:		-Factory	3,000	15	CO1
Particulars	Debit (Rs.)	Credit (Rs.)																																																																
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-Office	500
-Selling and Distribution	500

OR

B. Hari Om Garments Ltd. manufactures readymade garments and sells them on credit basis through a network of dealers. Its present sale is ₹ 60 lakh per annum with 20 days credit period. The company is contemplating an increase in the credit period with a view to increasing sales. Present variable costs are 70% of sales and the total fixed costs ₹ 8 lakh per annum. The company expects pre-tax return on investment @ 25%. Some other details are given as under:

Proposed Credit Policy	Average Collection Period (days)	Expected Annual Sales (₹ Lakh)
I	30	65
II	40	70
III	50	74
IV	60	75

Required: which credit policy should the company adopt? Present your Solution in a tabular form. Assume 360 days a year.

15

CO2

Q.2

A. A company follows the process costing. The work-in-progress at the end of each month is valued according to FIFO method. At the beginning of the month of January, the inventory of work-progress showed the 400 units (40% completed for material, labour and overheads) valued as follows :

Materials	₹ 3,600
Labour	₹ 3,400
Overhead	₹ 1,000
Total	₹ 8,000

Material used in process for the period was 2,600 units at ₹ 68,500. Wages and overhead in the month amounted to ₹ 79,800 and ₹ 21,280 respectively. Finished production taken into stock in the month was 2,500 units. There was no loss in process.

At the end of the month, the work-in-progress inventory was 500 units, 80% complete as regards materials and 60% complete as regards labour and overhead.

You are required to prepare a) Statement at Equivalent Production b) Statement of Cost per equivalent unit c) Statement of allocation of cost d) Process A/C

OR

15

CO3

B. Pharma Limited produces product 'Glucodin' which passes through two processes before it is completed and transferred to finished stock. The following data relates to March, 2023.

15

CO3

Particulars	Process I (Rs.)	Process II (Rs.)	Finished Stock (Rs.)
Opening Stock	1,50,000	1,80,000	4,50,000
Direct Materials	3,00,000	3,15,000	-
Direct Wages	2,24,000	2,25,000	-
Factory Overheads	2,10,000	90,000	-
Closing Stock	74,000	90,000	2,25,000
Inter Process Profit include in Opening Stock	NIL	30,000	1,65,000

Output of Process I is transferred to Process II at 25 percent profit on the transferred price, whereas output of Process II is transferred to finished stock at 20 percent of transfer price. Stock in processes is valued at prime cost. Finished stock is valued at the price at which it is received from Process II. Sales for the month is ₹ 28,00,000.

You are required to prepare Process-I A/c, Process-II A/c and Finished Stock A/c showing the profit element at each stage.

Q.3

A. Happy Star Ltd. gives you the following Summary Balance Sheet for the year ended 31st March 2022 and 2023. Prepare a Cash Flow statement for the year ended 31st March, 2023 as per AS – 3 Indirect Method.

15

CO4

Liabilities	31-3-22 ₹	31-3-23 ₹	Assets	31-3-22 ₹	31-3-23 ₹
Equity Share Capital	2,40,000	2,40,000	Land	4,20,000	5,40,000
5% Preference Share Capital	1,80,000	1,20,000	Building	5,70,000	5,40,000
General Reserve	60,000	84,660	Stock	54,000	72,600
Profit & Loss A/c	30,480	56,160	Debtors	80,880	76,920

Provision for Tax	34,000	16,000	Prepaid Expenses	51,760	34,000
Creditors	6,75,840	7,63,980	Bank Balance	31,680	6,480
			Misc. Expenditure	12,000	10,800
Total	12,20,320	12,80,800	Total	12,20,320	12,80,800

Other information for the year ended 31st March, 2023:

1. The Company has paid Interim dividend of 5% on Equity shares.
2. Preference shares were redeemed during the year at 10% premium.
3. Income Tax paid during the year ₹ 30,000.

OR

B. Varun Limited is running four buses between Delhi and Alwar, covering a distance of 100 KMs. The seating capacity of each bus is 40 passengers. The following particulars are obtained from its books for the month of October 2023:

Wages of 4 drivers	@Rs. 10,000 each p.m.
Wages of 4 conductors	@Rs. 8,000 p.m
Salaries of office staff	Rs. 3,000
Honorarium of accountant	Rs. 1,000
Diesel	Rs. 70 per litre
Distance covered per litre	6 Kms
Lubricant Oil	Rs. 500 per 100 kms
Repair and maintenance	Rs. 3,200
Road tax and insurance	Rs. 6,400
Depreciation	Rs. 10,400
Interest and other charges	Rs. 8,000

Actual passengers carried were 75% of the seating capacity. All the buses ran for 30 days. Each bus made one round trip per day. Find out the fare the company should charge per passenger KM if it wants a profit of 20% on the taking.

Q.4 Concept Based Questions (3 Marks each)

A. Pass journal entry under non-integrated cost record for: i. Purchase of material for special Job ii. Payment of wages

B. A lorry operates for 20 days a month. Its capacity is 8 tons. It travels between two cities located at a distance 60kms. Calculate ton-kilometers if its fully loaded both the ways and makes 3 round trips daily.

C. The company uses process costing system. Input: 15,000 units; output: 14,850 units, Opening stock: 500 units; Closing stock: 650 units (100% complete for

15

CO2

15

CO1

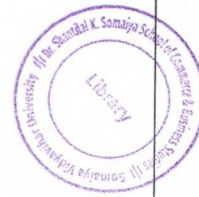
CO2

CO3

material and 30% complete for labour and overheads). Calculate equivalent units under Weighted average method.

D. Calculate optimum cash using Baumol's model:

Annual Cash Disbursements	Rs. 43,20,000
Handling Cost	112.50
Holding Cost	12% p.a.



CO4

E. Calculate Debtors turnover and Collection period:

Net credit sales: Rs. 7,30,000

Net Debtors: Rs. 75,000

Net Bills Receivable: Rs. 25,000

CO5



SOMAIYA
VIDYAVIHAR UNIVERSITY



Semester (July 2023 to October 2023)

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

Programme code: 03		
Programme: BAF (HONS)	Class: TY	Semester: V
Name of the Constituent College: S. K. Somaiya College	Name of the Department: Accounting and Finance	
Course Code: 131U03V502	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)	List out the advantages & disadvantages of beginning export operations in a foreign country.	(15)	CO 1 & 5
	OR		
Q.1 (b)	Interpret how BPOs & KPOs have positive impact on businesses.	(10)	CO 5
Q.1 (c)	Illustrate the functional level strategy in detail.	(5)	CO 1 & 2
Q.2 (a)	Distinguish between Visions, Mission & Goals. Prepare a mission for a new NBFC to start business in India.	(15)	CO 1 & 5
	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 & 3
Q.3 (a)	Discuss the Problems in Indian Strategic Alliance.	(8)	CO 4
Q.3 (b)	Elaborate the success factors for Business Process Reengineering in detail.	(7)	CO 5
	OR		
Q.3 (c)	Discuss the importance of Public Private Participation.	(8)	CO 4
Q.3 (d)	Discuss the term Corporate Renewal. What are reasons for organizational failures?	(7)	CO 4
Q.4 (a)	As a manager of an automobile company, you are supposed to analyze the Global Partnership between Suzuki & Toyota, using cross badging strategy, and interpret how does this collaboration	(5)	CO 5

is benefiting them.

Q.4 (b)

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 5

Q.4 (c)

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 major new strategy in his business.

(5)

CO 2 3 & 5



SOMAIYA
VIDYAVIHAR UNIVERSITY



Semester (July 2023 to October 2023)			
Examination: End Semester Examination October/November 2023 (UG Programmes)			
Programme code: 03		Class: TY	Semester: V
Programme: BAF (HONS)			
Name of the Constituent College: S. K. Somaiya College		Name of the Department: Accounting and Finance	
Course Code: 131U03V502		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 the business environment that affect the management of the organization. OR	(15)	CO 1
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. OR	(15)	CO 1 & 2
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 GE 9 Cell Matrix to evaluate competitiveness within food 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 Contribution of IT sector in Indian businesses. OR	(7)	CO 4
Q.3 (c)	Discuss the economic losses that occurred due to natural disasters?	(8)	CO 5
Q.3 (d)	Discuss how International Business Alliances benefits the	(7)	CO 4

	country.		
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 & 5
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 & 5
Q.4 (c)	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 & 5



SOMAIYA
VIDYAVIHAR UNIVERSITY



Semester (July 2023 to October 2023)

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

Programme code: 03	Class: TY(H)	Semester: V
Programme: Accounting & Finance		
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)	<p>The following details of income of Mr Omkesh and Mrs. Omkesh are provided for the assessment year 2023-24 are made available for you:</p> <table><tr><td></td><td>Mr. Omkesh</td><td>Mrs. Omkesh</td></tr><tr><td>Income from business/profession</td><td>1,80,000</td><td>1,00,000</td></tr><tr><td>Income from other sources</td><td>3,20,000</td><td>2,10,000</td></tr><tr><td>Interest from Trio and Co</td><td>50,000</td><td>5,20,000</td></tr><tr><td>Salary from Trio and co (Taxable)</td><td>2,40,000</td><td>2,00,000</td></tr></table> <p>Mr. and Mrs. Omkesh are partners in Trio and Co eac having 10% share in profits. Determine total income of Mr. and Mrs. Omkesh</p>		Mr. Omkesh	Mrs. Omkesh	Income from business/profession	1,80,000	1,00,000	Income from other sources	3,20,000	2,10,000	Interest from Trio and Co	50,000	5,20,000	Salary from Trio and co (Taxable)	2,40,000	2,00,000	(8)	CO1	
	Mr. Omkesh	Mrs. Omkesh																	
Income from business/profession	1,80,000	1,00,000																	
Income from other sources	3,20,000	2,10,000																	
Interest from Trio and Co	50,000	5,20,000																	
Salary from Trio and co (Taxable)	2,40,000	2,00,000																	
B)	<p>Mr. Raj provides following details of his income and losses for the year 2022-23 (A.Y. 23-24)</p> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Income from Salary Net</td><td>4,50,000</td></tr><tr><td>Income from House Property</td><td>(1,90,000)</td></tr><tr><td>Income from Non Speculative Business</td><td>(2,20,000)</td></tr><tr><td>Income from Speculative Business</td><td>4,00,000</td></tr><tr><td>Short Term Capital Loss</td><td>(2,50,000)</td></tr><tr><td>Long Term Capital Gain</td><td>2,00,000</td></tr><tr><td>Loss from Maintaining Race Horses</td><td>(45,000)</td></tr></table> <p>Wha tis the total income chargeable for A.Y. 2023-24</p> <p style="text-align: center;">OR</p>	Particulars	Amount	Income from Salary Net	4,50,000	Income from House Property	(1,90,000)	Income from Non Speculative Business	(2,20,000)	Income from Speculative Business	4,00,000	Short Term Capital Loss	(2,50,000)	Long Term Capital Gain	2,00,000	Loss from Maintaining Race Horses	(45,000)	(7)	CO2
Particulars	Amount																		
Income from Salary Net	4,50,000																		
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Short Term Capital Loss	(2,50,000)																		
Long Term Capital Gain	2,00,000																		
Loss from Maintaining Race Horses	(45,000)																		
C)	<p>Following are the details of Partnership firm Provided by M/s Vivo and co for the Financial year 2022-23</p> <p>a) Net Loss Rs. 1,00,000 after allowing following expenses:</p> <p>b) Salary to Working Partners Mr. Ajay 50,000 Mr. Vijay 60,000</p> <p>c) Interest on Capital @ 18% Rs. 9,000 to Ajay and Rs. 72,00 to Vijay</p> <p>d) Donation to Orphanage House Rs. 10,000</p> <p>Calculate taxable income of the firm and allowable salary of partners assuming both the partners are working parnters.</p>	(8)	CO3																
D)	<p>Mr. Akhilesh is having income from salary Rs. 40,000 p.m. and Mrs. Akhilesh is having salary of Rs. 30,000 p.m. Mr. Akhilesh also earns Interest on Fixed Deposit worth Rs. 80,000 during the year and Mrs. Akhilesh Earns Income</p>	(7)	CO2																

	<p>from Investment in Government certificate Rs. 95,000. Income of Minor sons/daughters of Mr and Mrs. Akhilesh are as follows:</p> <p>A) Minor daughter earns Rs. 25,000 on fixed deposit (Amount deposited by her father)</p> <p>B) Income earn by Mst. Vihan Rs. 1,20,000 by playing chess tournaments at national level</p> <p>Explain with reason clubbing provisions and taxable income of Mr and Mrs. Akhilesh for the Assessment Year 2023-24</p>												
Q.2													
A)	<p>Mr. Chirag is employed with Coforge Ltd. During the year 2022-23 he is in the receipts of following amounts:</p> <p>a) Basic Salary Rs. 40,000 p.m.</p> <p>b) Dearness Allowance 45%</p> <p>c) Interest Paid on loan for Self-Occupied House Property Rs. 35,000</p> <p>d) Interest received on Saving Bank with State Bank Rs. 4,500</p> <p>Employer deducted Rs. 55,000 during the year towards RPF and 25,000 LIC Premium.</p> <p>He paid Mediclaim insurance for self and family Rs. 30,000 in cash</p> <p>Calculate tax liability and T.D.S to be deducted by employer on monthly basis.</p>	(8)	CO5										
B)	<p>Mr. Lankesh is liable to pay income tax of Rs. 2,00,000. He paid following amounts towards advance tax on different due dates during the year 2022-23</p> <table><tr><td>Paid on</td><td>Amount paid</td></tr><tr><td>15-06-2022</td><td>30,000</td></tr><tr><td>15-09-2022</td><td>60,000</td></tr><tr><td>15-12-2022</td><td>60,000</td></tr><tr><td>15-03-2023</td><td>50,000</td></tr></table> <p>Tax assessed by the Income tax officer after filing Income Tax return is Rs. 2,30,000. Mr. Lankesh is not liable for tax audit u/s 44AB and he filed his income tax return in time on the due date i.e. on 15.7.2023. Calculate Interest payable by Mr. Lankesh u/s 234A, 234B and 234C Under Income Tax Act, 1961 for the Previous Year 2022-23 (A.Y. 23-24).</p> <p style="text-align: center;">OR</p>	Paid on	Amount paid	15-06-2022	30,000	15-09-2022	60,000	15-12-2022	60,000	15-03-2023	50,000	(7)	CO5
Paid on	Amount paid												
15-06-2022	30,000												
15-09-2022	60,000												
15-12-2022	60,000												
15-03-2023	50,000												
C)	<p>Calculate the Advance Tax Instalments payable by Mr. Arjun Saxena during the financial year 2022-23 from the following information.</p> <p>a) Taxable Business Income Rs. 3,85,000</p> <p>b) Long Term Capital Gain Rs. 20,000 on 01.12.2022</p> <p>c) T.D.S. deducted from Business Income Rs. 30,000</p>	(8)	CO5										
D)	<p>Find out the T.D.S. applicability and amount of tax to be deducted if any in following cases:</p> <p>a) Mr. Yash is the owner of 11 heavy goods carriage vehicles and provides transport/Logistic services to Akxa Ltd worth Rs. 3,50,000</p> <p>Will your answer differ if he is the owner of 7 heavy vehicles?</p> <p>b) Mr. Umesh is liable for Tax Audit u/s 44AB. He paid following amounts to Mr. Yogesh:</p> <ul style="list-style-type: none">- Rent for use of Commercial Building Rs. 42,000 from 1.6.2022- Rent for use of Machinery Rs. 30,000 from 1.6.2022 <p>Find out the amount of T.D.S. to be deducted and justify your answer.</p>	(7)	CO5										



<p>Q.3</p> <p>A)</p>	<p>Ms. Ricky is a football player and resident in India during the previous year 2022-23. He earns Rs. 1,39,500 after T.D.S. of 10%. by performing in different tournament in Japan.</p> <p>He has house property in Australia and in receipt of monthly rent of Rs. 40,000. He paid municipal tax of Rs. 35,000. He paid tax of Rs. 25,000 in Australia. He earns professional fees of Rs. 4,50,000 in India (Taxable) and Interest on Saving Account with SBI Rs. 12,500</p> <p>He invested Rs. 50,000 in PPF and 20,000 LIC premium paid by him.</p> <p>Explain with reason how much tax he should be liable for if there is DTAA agreement between India, Japan and Australia</p> <p style="text-align: center;">OR</p> <p>B) What do you understand by Tax planning and explain its objectives.</p> <p>C) Explain the importance of Tax planning.</p>	<p>(15)</p>	<p>CO6</p>
<p>Q.4</p>	<p>Answer the following (5 X 3 marks)</p> <p>a) Akshaya having income not subject to Tax Audit u/s 44AB. She filed her return of Income Tax on 31st august 2023. At the time of filing income tax return she forgot to claim deduction for medical insurance premium paid for her mother Rs. 55,000 by cheque. Can she file the revised return if yes, by what date she can file it and how much deduction she can claim for medical insurance.</p> <p>b) Mrs Nalini submits her return of income on 29-9-2023 for the Assessment Year 2023-24 consisting of income under the head "Salaries" and "House Property" on 1-2-2024, she realized that she had not claimed deducted under section 80D in respect of medical insurance premium of Rs. 20,000 paid for her father. She wants to revise her return of income. Can she do so? Examine, would your answer differ if she discovered this omission 2-4-2024.</p> <p>c) Mr. Sumit carried business of computer accessories and opted presumptive taxation for the year 2022-23. His turnover of business is Rs. 95,000 of which cash receipts are of Rs. 82,000 lakhs and remaining are digital payments accepted by him. Calculate taxable income and tax liability with due date for payment of Advance Tax.</p> <p>d) Mrs. Joshi is 65 years old, having a pension of Rs. 35,000 p.m. and other source income by way of interest on fixed deposit Rs. 1,54,000 p.a. calculate her tax liability. Discuss the provision of payment of advance tax liability. Is she liable for payment of advance tax?</p> <p>e) Explain the liability for filing of income tax return in following cases:</p> <ul style="list-style-type: none"> - Mr. Haresh is suffering a loss of Rs. 35,000 from his business. What is the due date for filing an income tax return. What are the consequences if not filed on the due date. Can he revise the loss return. - Ms. Sunita an individual resident in India having taxable total income of Rs. 4,80,000. What will be her tax liability. 	<p>(15)</p>	<p>CO5</p> <p>CO4</p> <p>CO5</p> <p>CO4</p> <p>CO4</p>



Semester (July 2023 to October 2023) Examination: End Semester Examination October/November 2023 (UG Programmes)			
Programme code: 03 Programme: BAF Hons		Class: TY	Semester: V
Name of the Constituent College: S K Somaiya College		Name of the Department Accounting and Finance	
Course Code: 131U03V501		Name of the Course: International Taxation	
Duration : 2 Hrs.		Maximum Marks : 60	
Instructions: 1) All questions are compulsory. 2) Use of a simple calculator is permitted. 3) Figures to the right indicate the marks assigned to the questions. 4) Working notes should form part of your answers.			

Question No.		Max. Marks	Co Attainment
Q1	<p>Mr. A, a resident of Mauritius, transfers shares in an Indian company on 15 June 2022 and earns capital gains. The shares in the Indian company were acquired on 1 April 2019. In light of the India Mauritius DTAA, explain the taxability in the hands of Mr. A in India. Your analysis should include details of process and documentation requirements for availing the DTAA benefits, if any.</p> <p>The relevant extract from the India Mauritius DTAA has been reproduced for your reference:</p> <p><i>"ARTICLE 13- CAPITAL GAINS</i></p> <p><i>.....</i></p> <p><i>3A. Gains from the alienation of shares acquired on or after 1st April 2017 in a company which is resident of a Contracting State may be taxed in that State.</i></p> <p><i>3B. However, the tax rate on the gains referred to in paragraph 3A of this Article and arising during the period beginning on 1st April, 2017 and ending on 31st March, 2019 shall not exceed 50% of the tax rate applicable on such gains in the State of residence of the company whose shares are being alienated;</i></p>	15	03

	<p>4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 3A shall be taxable only in the Contracting State of which the alienator is a resident.]</p> <p>5. For the purposes of this article, the term "alienation" means the sale, exchange, transfer, or relinquishment of the property or the extinguishment of any rights therein or the compulsory acquisition thereof under any law in force in the respective Contracting States."</p>		
	OR		
Q1	<p>Mr. A, a resident of Hong Kong, receives interest income from an Indian company. In light of the India Hong Kong DTAA, explain the taxability in the hands of Mr. A in India. Your analysis should include details of process and documentation requirements for availing the DTAA benefits, if any. Assume that Mr. A is liable to tax at 20% as per the provisions of the Indian Income-tax Act, 1961. (15 marks)</p> <p>The relevant extract from the India Hong Kong DTAA has been reproduced for your reference:</p> <p><i>"ARTICLE 11- INTEREST</i></p> <p><i>1. Interest arising in a Contracting Party and paid to a resident of the other Contracting Party may be taxed in that other Party.</i></p> <p><i>2. However, such interest may also be taxed in the Contracting Party in which it arises and according to the laws of that Party, but if the beneficial owner of the interest is a resident of the other Contracting Party, the tax so charged shall not exceed 10 per cent of the gross amount of the interest....</i></p> <p><i>8. The benefits of this Article shall not be available if the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt-claim in respect of which the interest is paid is to take advantage of this Article by means of that creation or assignment."</i></p>	15	03
Q2	<p>a) XYZ Ltd., an Indian company has entered into a technical knowhow agreement with ABC Inc., Country A. ABC Inc. has a sister concern, PQR LLC., Country A, which has obtained an advance ruling on an identical technical know-how agreement with another Indian company, PQR Ltd. Can XYZ Ltd. make use of this advance ruling for its assessment proceeding in April, 2021? Examine. (7 marks)</p> <p>b) "The term 'Advance ruling' includes within its scope, a determination by the Authority for Advance Rulings only in relation to a transaction undertaken by a non-resident applicant".</p>	15	04



	Examine the correctness or otherwise of this statement, in the context of the provisions of the Income-tax Act, 1961. (8 marks)		
	OR		
Q2	The Income-tax Act, 1961 provides for taxation of certain income earned in India by Mr. Harry, a person resident in Country X. India does not have a Double Taxation Avoidance Agreement between India and Country X. Evaluate whether Mr. Harry is liable to pay tax in India and Country X on such income earned by him in India and if any credit mechanism is available in India. (15 marks)	15	02
Q3	Write a detailed note on the residential status of Indian companies as per the provisions of the Income-tax act, 1961, including the concept of Place of Effective Management. (15 marks)	15	01
	OR		
Q3	<p>a) Compare and differentiate between the concepts of 'business connection' as per the provisions of the Income-tax Act, 1961 and 'permanent establishment' as per the Double Taxation Avoidance Agreements entered into between India and other countries. (7 marks)</p> <p>b) Explain any two types of Permanent Establishment as per the DTAA between India and other countries. (8 marks)</p>	15	01,02
Q4	<p>Answer the following: (5 marks each)</p> <p>a) Mr. Barry, a non-resident, resident of the USA, holds 45% of the total share capital in M/s ABC Ltd, a company incorporated in Mauritius. M/s ABC directly owns assets in India. Mr. Barry transfers his entire share capital in M/s ABC Ltd to Mr. Ashok, an Indian resident. Evaluate whether the income earned by Mr. Barry on transfer of shares in M/s ABC Ltd would be chargeable to tax in India. Explain your answers with detailed reference to the provisions contained in the Income-tax Act, 1961. (5 marks)</p> <p>b) Sing Co, a resident of Singapore provides stewardship related activities for ABC Co, an Indian company. Explain whether Sing Co would constitute a Service PE in India. (5 marks)</p> <p>c) Mr. Dey, a non-resident, residing in the US since 1990, came back to India on 1 April 2021 for permanent settlement. What will be his residential status for assessment year 2023-24? (5 marks)</p>	15	01, 02