

# SOMAIYA

## VIDYAVIHAR UNIVERSITY

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

### QUESTION PAPERS

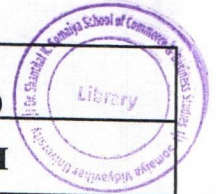
<b>BRANCH: Bachelor of Commerce</b> <b>(Accounting &amp; Finance) Hons.</b>	<b>SEM: VI</b>
	<b>MAR/APR-2023</b>

Sr. No.	Subject	Available
1.	131U03V601 – Transfer Pricing	
2.	131U03C601 – Advanced Accounting	
3.	131U03C602 – Advanced Costing Techniques	
4.	131U03V602 – Security Analysis & Portfolio Management (A)	
5.	131U03V602 – Security Analysis & Portfolio Management (B)	
6.	131U03C603 – Indirect Taxation	
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<b>Semester (November 2022 to March 2023)</b>		
<b>Examination: End Semester Examination March 2023 (UG Programmes)</b>		
<b>Programme code: 03</b>	<b>Class: T.Y.BAF (Hons.)</b>	<b>Semester: VI</b>
<b>Programme: T.Y. BAF (Hons)</b>		
<b>Name of the Constituent College: S K Somaiya College</b>		<b>Name of the Department: Accounting and Finance</b>
<b>Course Code: 131U03V601</b>	<b>Name of the Course: Transfer Pricing</b>	
<b>Duration : 2 Hrs.</b>	<b>Maximum Marks : 60</b>	
<b>Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3) Q.4 is Compulsory</b>		

Q. No.		Max. Marks
Q.1 (A)	<p>Kio Japan and AB Ltd, an Indian Company are associated enterprises. AB Ltd manufacture's cellule Phones and sells them to Kio Japan and Geel, a Company based at Beijing, During the year AB Ltd supplied 2,50,000 Cellular Phones to Kio Japan at a price of ₹3,000 per unit and 35,000 units Geel at a price of ₹4,800 per unit. The transactions of AB Ltd with Kio and Geel are comparable subject to the following considerations</p> <p>Sales to Kio is on FOB basis, sales to Geel are CIF basis. The freight and insurance paid by Kio for each unit is ₹700.</p> <p>Sales to Geel are under a free warranty for Two Years whereas sales to Kio are without any warranty. The estimated cost of executing such warranty is ₹500.</p> <p>Since Kio's order was huge in volume, quantity discount of ₹200 per unit was offered to it.</p> <p>Compute the Arm's Length Price and the amount of increase in the Total income of AB Ltd, if are due to such Arm's Length Price. (15 marks)</p> <p style="text-align: center;"><b>OR</b></p> <p>MNO Ltd., having its registered office in Mumbai, is engaged in multiple businesses. It has borrowed ₹200 crores from State Bank of India (SBI) for which 100% guarantee was given by the parent company, ABC Inc. of Country A. The total borrowings of MNO Ltd. is ₹1,000 crores.</p> <p>MNO Ltd. buys mobile phones from ABC Inc. The mobile phones are branded for which royalty at ₹100 per mobile phone sold is paid to ABC Inc. Similar mobile phones are also sold to other customers in India by ABC Inc. but no royalty is charged from them.</p> <p>The credit period offered to MNO Ltd. is 2 months, whereas for other customers, the credit period is 1 month. During the year, 10 lakh mobile phones were bought for an aggregate sum of ₹2,600 crores from ABC Inc. The purchase could be assumed as uniform throughout the financial year 2021-22. The cost of capital may be adopted as 10% per annum.</p> <p>ABC Inc. would have billed ₹2,400 crores (excluding interest component for the delay beyond 1 month) for supply of identical quantity of similar mobile phones to other customers. It may be assumed that the entire purchase has been sold out by 31st March, 2022.</p> <p>Determine the arm's length price (ALP) of the transaction of purchase of mobile phones by MNO Ltd. from ABC Inc., Country A and its impact on the assessable income, if any, for the assessment year 2022-23. (8 marks)</p> <p style="text-align: center;"><b>And</b></p> <p>Examine whether transfer pricing provisions under the Income-tax Act, 1961 would be attracted in respect of the following cases -</p>	15
Q.1 (C)		



	<p>(i) Transfer of process patents by Rho Ltd., an Indian company, to ABC Inc., a US company, which guarantees 12% of the total borrowings of Rho Ltd.</p> <p>(ii) Marketing management services provided by Athena, a Greece company to Alpha Ltd., an Indian company. Athena is a "specified foreign company" as defined in section 115BBD, in relation to Alpha Ltd.</p> <p>(iii) Gamma Ltd., an Indian company, has two units, Delta &amp; Phi. Unit Delta, which commenced business four years back, is engaged in the development of a highway project, for which purpose an agreement has been entered into with the Central Government. Unit Phi is carrying on the business of trading in steel. Unit Phi transfers 25,000 metric tons of steel of the value of ₹30,000 per MT to Unit Delta for ₹20,000 per MT.</p> <p>(iv) Purchase of machinery by Beta Ltd., an Indian company, from Huff AG, a German company. Beta Ltd. is the subsidiary of Huff AG. (7 marks)</p>	
Q.2 (A)	<p>Hotmail, a U.S.A. company holds 30% shares in Staffing Solution Ltd. (India). Staffing Solution Ltd. develops software for various customers including Hotmail. Staffing Solution Ltd during the year billed Hotmail U.S.A. for 2,000 man-hours at the rate of Rs.400 per man-hour. The total cost (direct and indirect) for executing this work amounted to Rs.6, 50,000.</p> <p>Staffing Solution Ltd. billed R Ltd. India at the rate of Rs. 800 per man-hour although the persons who were working for development of the software of R Ltd. were of the same caliber and level that of persons who developed the software for Hotmail U.S.A. Staffing Solution Ltd. earned a Gross Profit of 40% on its sales to R Ltd.</p> <p>The transactions of Staffing Solution Ltd. with Hotmail U.S.A. and R Ltd are comparable subject to the following differences:</p> <p>While Hotmail U.S.A. have given technical know-how to Staffing Solution, there is no such know-how provided by R Ltd. The value of technical know-how received from Hotmail U.S.A. can be taken at 10% of normal gross profit.</p> <p>A quantity discount was given by Staffing Solution Ltd. to Hotmail Co. which can be valued at 5% of normal gross profits.</p> <p>Staffing Solution Ltd. offered 60 days' credit to Hotmail. The cost of providing such credit may be valued at 2.5% of gross profit. No such trade discount was given to R Ltd.</p> <p>Compute the arm's length price and the amount of increase in the total income of Staffing Solution Ltd, if any, due to such arm's length price. (15 marks)</p> <p style="text-align: center;"><b>OR</b></p> <p>Allepey Ltd. is an Indian Company in which Andes Inc., a Country Z company holds 38% shareholding and voting power. During the previous year 2019-20, the Indian company supplied computers to the Country Z based company @CZD 1100 per piece. The price of computer supplied to other unrelated parties in Country Z is @CZD 1400 per piece. During the course of assessment proceedings relating to A.Y.2020-21, the Assessing Officer carried out primary adjustments and added a sum of ₹168 lakhs, being the difference between actual price of computer and arm's length price for 700 pieces and it was duly accepted by the assessee.</p> <p>The Assessing Officer passed the order, in which the primary adjustments were made, on 1.6.2021. On account of this adjustment, the excess money of ₹168 lakhs is available with Andes Inc, Country Z. In this context, Allepey Ltd. wants to know the effect of this transaction for the assessment year 2022-23 on the basis that it declared an income of ₹300 lakhs and the excess money is still lying with Andes Inc. till today. Assume the rate of exchange as 1 CZD = ₹80. [CZD stands for Country Z Dollars, which is the currency of Country Z]; six month LIBOR as on 30.9.2021 is 9.50%. (10 marks)</p> <p style="text-align: center;"><b>AND</b></p> <p>List down the situations where an enterprise become a deemed associate enterprise. (5 marks)</p>	15
Q.2 (C)		



Q.3 (A)	<p>Anush Motors Ltd., an Indian company declared income of Rs. 300 crores computed in accordance with Chapter IV-D but before making any adjustments in respect of the following transactions for the year:</p> <p>10,000 cars sold to Rida Ltd. Which holds 30% shares in Anush Motors Ltd. At a price which is less by \$ 200 each car than the price charged from Shingto Ltd.</p> <p>Royalty of \$ 1,20,00,000 was paid to Kyoto Ltd. For use of technical know-how in the manufacturing of car. However, Kyoto Ltd. Had provided the same know-how to another Indian company for \$ 90,00,000.</p> <p>Loan of Euro 1000 crores carrying interest @ 10% p.a. advanced by Dorf ltd., a German company, was outstanding on 31.3. the total book value of assets of Anush Motors Ltd. On the date was Rs.90,000 crores. The said German company had also advanced a loan of similar amount to another Indian company @ 9% p.a. Total interest paid for the year was EURO 100 crores.</p> <p>Explain in brief the provisions of the Act affecting all these transactions and compute the income of the company to tax keeping in mind that the value of 1\$ and of 1 EURO was Rs. 50 and Rs. 55, respectively, throughout the year. (15 marks)</p>	15
Q.3 (B)	<p style="text-align: center;"><b>OR</b></p> <p>Discuss the practical difficulties in application of Arm's Length principle. (10 marks)</p>	
Q.3 (C)	<p style="text-align: center;"><b>And</b></p> <p>Examine with reasons whether the two enterprises referred to in the independent situations given below can be deemed to be associated enterprises under the Indian transfer pricing regulations:</p> <p>(i) Kingston Inc, a US company having its place of effective management also in the USA, has advanced a loan equivalent to ₹130 crores to Ganga Ltd., an Indian company on 10-4-2021.</p> <p>The total book value of assets of Ganga Ltd. is ₹250 crores. The market value of the assets, however, is ₹300 crores. Ganga Ltd. repaid ₹22 crores before 31-3-2022.</p> <p>(ii) Charles plc., a UK company having its place of effective management also in the UK, has the power to appoint 4 of the directors of Andes Ltd, an Indian company, whose total number of directors in the Board is 9.</p> <p>(iii) Total value of raw materials and consumables of Kaveri Ltd., an Indian company, is ₹720 crores. Out of this, supplies to the tune of ₹650 crores are by Aurubis GmbH, a German company having its place of effective management in Germany, at prices and terms decided by the German company.(5 marks)</p>	15
Q.4	<p><b>Answer the following (3 marks each)</b></p> <ol style="list-style-type: none"> <li>Advantages of the three tier structure [as per BEPS Report].</li> <li>Discuss Objectives and features of master file.</li> <li>Examine whether transfer pricing provisions under the Income-tax Act, 1961 would be attracted in respect of the following cases –             <ol style="list-style-type: none"> <li>Gamma Ltd., an Indian company, has two units, Delta &amp; Phi. Unit Delta, which commenced business four years back, is engaged in the development of a highway project, for which purpose an agreement has been entered into with the Central Government. Unit Phi is carrying on the business of trading in steel. Unit Phi transfers 25,000 metric tons of steel of the value of ₹30,000 per MT to Unit Delta for ₹20,000 per MT.</li> <li>Purchase of machinery by Beta Ltd., an Indian company, from Huff AG, a German company. Beta Ltd. is the subsidiary of Huff AG.</li> </ol> </li> <li>Explain the concept of comparable uncontrolled price method and profit split method in detail.</li> <li>Mr. Devendra holds 30% of voting power in ABC Inc, a company incorporated under the laws of Country A. For the purpose of expansion of business, the said</li> </ol>	





company enters into an agreement with XYZ Ltd., a company incorporated under the Indian laws. Total purchases by XYZ Ltd. for the F.Y. 2021-22 is estimated to be ₹500 crores, out of which, purchases of ₹48 crores has been sourced locally and the balance shall be supplied by ABC Inc. The price for entire purchase has been fixed in the agreement and the conditions for supply are determined by ABC Inc. Advise Mr. Devendra as to whether ABC Inc and XYZ Ltd are Associated Enterprises, on the basis of the provisions of the Income-tax Act, 1961.





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VIDYAVIHAR UNIVERSITY



**Semester (November 2022 to March 2023)**

**Examination: End Semester Examination March/April 2023 (UG Programmes)**

**Programme code: 03**

**Programme: BAF [H]**

**Class: TY**

**Semester: VI**

**Name of the Constituent College: S.K. SOMAIYA**

**Name of the Department** Accounting & Finance

**Course Code: 131U03C601**

**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.	<p>From the following trial balance and additional information Prepare a Balance Sheet of HDFC Bank Ltd. As on 31<sup>st</sup> March 2023</p> <table><thead><tr><th>DEBIT</th><th>₹ in Lakhs</th><th>CREDIT</th><th>₹ in lakhs</th></tr></thead><tbody><tr><td>Cash credits</td><td>2436.3</td><td>Share Capital</td><td>594</td></tr><tr><td>Cash in hand</td><td>480.46</td><td>[29,70,000 shares of ₹10]</td><td></td></tr><tr><td>Cash with RBI</td><td>135.64</td><td>Statutory Reserve</td><td>693</td></tr><tr><td>Cash with other Banks</td><td>265.62</td><td>Net Profit for the year [before appropriation]</td><td>450</td></tr><tr><td>Money at call &amp; short notice</td><td>630.36</td><td>Profit &amp; Loss a/c opening balance</td><td>1236</td></tr><tr><td>Gold</td><td>165.68</td><td>Fixed deposit accounts</td><td>1551</td></tr><tr><td>Government Securities</td><td>730.5</td><td>Saving deposit accounts</td><td>1350</td></tr><tr><td>Current Accounts</td><td>84</td><td>Current accounts</td><td>1560.36</td></tr><tr><td>Premises</td><td>267.1</td><td>Bills payable</td><td>0.30</td></tr><tr><td>Furniture</td><td>190.36</td><td>Borrowings from other Banks</td><td>330</td></tr><tr><td>Term Loan</td><td>2378.64</td><td></td><td></td></tr><tr><td></td><td>7764.66</td><td></td><td>7764.66</td></tr></tbody></table> <p>Additional Information's: -</p> <ol style="list-style-type: none"><li>1. Bills for collection: - ₹ 36,20,000.</li><li>2. Acceptance &amp; Endorsements: - ₹ 28,24,000.</li><li>3. Claims against the bank not acknowledged as debts: - ₹ 1,10,000.</li><li>4. Depreciation charged on premises ₹ 2,20,000 &amp; Furniture ₹ 1,56,000.</li></ol> <p style="text-align: center;"><b>OR</b></p>	DEBIT	₹ in Lakhs	CREDIT	₹ in lakhs	Cash credits	2436.3	Share Capital	594	Cash in hand	480.46	[29,70,000 shares of ₹10]		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	15
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Q.1.	<p>From the following information prepare Profit &amp; Loss a/c of Dena Bank Ltd. As on 31-3-23</p> <table><thead><tr><th>PARTICULARS</th><th>₹</th></tr></thead><tbody><tr><td>Interest &amp; Discount received</td><td>19,00,080</td></tr><tr><td>Interest paid on deposits</td><td>11,47,680</td></tr><tr><td>Issued &amp; Subscribed capital</td><td>5,00,000</td></tr><tr><td>Salaries &amp; Allowances</td><td>1,25,000</td></tr><tr><td>Directors Fees</td><td>17,500</td></tr><tr><td>Rent &amp; Taxes paid</td><td>50,000</td></tr></tbody></table>	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	15																																						
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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 31<sup>st</sup> Mar. 2022 was ₹ 7,500 & on 31<sup>st</sup> 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 31<sup>st</sup> March 2023: -

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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.

## BALANCE SHEET OF MUDRA LTD.

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
	<b>31,50,000</b>		<b>31,50,000</b>

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

Find out the value of Equity shares by:-

Intrinsic value method, Yield method &amp; Fair value method.

For valuation of shares consider Goodwill as 6 years purchase of super profit

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Q.3.

From the following in respect of SWAMI Ltd. Calculate the total value of Human Capital by Lev & Schwartz Model.

AGE	UNSKILLED		SEMISKILLED		SKILLED	
	NUMBERS	Avg. Annual Earnings	NUMBERS	Avg. Annual Earnings	NUMBERS	Avg. Annual Earnings
30-39	80	35,000	70	50,000	90	1,00,000
40-49	35	46,000	40	65,000	45	1,30,000
50-59	15	56,000	20	75,000	25	1,80,000

Retirement age is 60 years. Apply discounting factor @ 15%.

OR

Q.3.

As on 1<sup>st</sup> 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 31<sup>st</sup> March 2019 & 2020. However, the hire purchaser failed to pay the instalment on 31<sup>st</sup> March 2021.

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

- Calculate basic provision.
- Calculate the Net Book Value of Assets as on 31<sup>st</sup> March 2021 as per the

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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]

- Explain Non-Performing Assets in relation to Banking company.
- Briefly explain reinsurance contract.
- What is Future Maintainable Profits.
- 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.

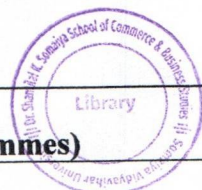
- From the following details compute the value of human resources of an employee group with an average age of 56 years.  
Average annual earning of an employee till the retirement age ₹ 80,000.  
Age of retirement 59 years.  
Cost of capital 8%.  
Number of employees in a group is 50.

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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	<p><b>A)</b> The standard material input required for 1,000 kgs. of a finished product are given below.....(15)</p> <table> <tr> <th>Material</th><th>Quantity</th><th>St. rate per kg</th></tr> <tr> <td></td><td>Kg</td><td>Rs.</td></tr> <tr> <td>P</td><td>400</td><td>25</td></tr> <tr> <td>Q</td><td>400</td><td>45</td></tr> <tr> <td>R</td><td>300</td><td>60</td></tr> <tr> <td></td><td>1,100</td><td></td></tr> <tr> <td>Standard Loss</td><td><u>100</u></td><td></td></tr> <tr> <td>Standard output</td><td><u>1,000</u></td><td></td></tr> </table> <p>Actual production in a period was 20,000 kg. of finished product for which the actual quantities of material used and the prices paid thereof were as under:</p> <table> <tr> <th>Material</th><th>Quantities</th><th>Purchase price per kg.</th></tr> <tr> <td></td><td>(Kg.)</td><td>Rs.</td></tr> <tr> <td>P</td><td>9,500</td><td>26</td></tr> <tr> <td>Q</td><td>8,500</td><td>48</td></tr> <tr> <td>R</td><td>4,000</td><td>65</td></tr> </table> <p>Calculate (i) Material Cost Variance (ii) Material Price Variance (iii) Material Usage Variance (iv) Material Mix Variance (v) Material Yield Variance. Present a reconciliation among the variances.</p> <p style="text-align: center;">OR</p> <p><b>B)</b> Marx Industries furnishes you the following details for the month of March 2023:.....(10)</p> <table> <tr> <th>Particulars</th><th>Budgeted</th><th>Actual</th></tr> </table>	Material	Quantity	St. rate per kg		Kg	Rs.	P	400	25	Q	400	45	R	300	60		1,100		Standard Loss	<u>100</u>		Standard output	<u>1,000</u>		Material	Quantities	Purchase price per kg.		(Kg.)	Rs.	P	9,500	26	Q	8,500	48	R	4,000	65	Particulars	Budgeted	Actual	15
Material	Quantity	St. rate per kg																																										
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Particulars	Budgeted	Actual																																										



	Output( Units)	8000	8500	
	Hours	8000	8600	
	Fixed Overheads	Rs.400000	Rs.473000	
	Variable Overheads	Rs.640000	Rs.731000	
	Calculate all Fixed Overhead Variance AND C)Distinguish between Traditional Cost Management & Strategic Cost Management .....(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)			
				15



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) Matrix Ltd is manufacturing three household products AXE, WYE & ZED and selling them in a competitive market. Details of current demand, selling price & cost structure are given below: .....(15)

Particulars	AXE	WYE	ZED
Expected demand ( in units)	15000	18000	30000
Selling Price per unit( Rs.)	30	24	15
Variable costs per unit( Rs)			
Direct Material ( Rs.15/kg)	9	6	3
Direct Labour( Rs.22.50/hr)	4.5	4.5	2.25
Variable Overheads	3	1.5	1.5
Fixed Overheads per unit	5	4	2

The Company is frequently affected by acute scarcity of raw material. During the next period, it is expected to have one of the following situations :

- Raw materials available will be only 18150 kg .
- It may be possible to increase sales of any one product by 25% without additional fixed cost but by spending Rs. 30000 on advertisement . There will be no shortage of raw material .

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

Q.3

A) SKASC, KJSSC & KJSAC are three similar plants under same management who want them to be merged for better operation. The details are as under:.....(15)

Particulars	SKASC	KJSSC	KJSAC
Capacity Operated	80%	70%	100%
Turnover( in Lakhs)	480	560	600
Variable costs ( in Lakhs)	320	420	300
Fixed Cost( in Lakhs)	130	90	120

You are required to compute the following :

- The capacity of merged plant for break even
- The profit at 80% capacity of the merged plant
- The turnover from the merged plant to give a profit of Rs.75 lakhs



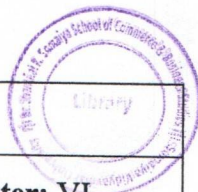
	<p style="text-align: center;">OR</p> <p>B) Enumerate various activities undertaken by the Firm in context of Value Chain Analysis .....(7)</p> <p>C) Write a note on Cost of Quality .....(8)</p>										
Q 4	<p>Answer the following:</p> <p>A) From the following information draw Break- Even Chart.  Sales in Units – 5000 units Selling Price per unit: Rs. 40  Variable cost per unit is Rs.24, Fixed Cost is Rs. 50000.  Indicate –i) Break Even Point .....(3)  ii) If Selling Price is increased by 25% ,compute Revised BEP and depict same in BEP Chart .....(3)</p> <p>B) Classify the following cost as Price of Conformance and Price of Non-conformance in context of Cost of Quality:.....(3)</p> <ul style="list-style-type: none"> <li>i) Quality Audits</li> <li>ii) Returns &amp; Allowances</li> <li>iii) Field Trails</li> <li>iv) Product Acceptances</li> <li>v) Process engineering</li> <li>vi) Scrap</li> </ul> <p>C) Compute Sales Mix Variance from the following data:.....(3)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Product</th><th style="text-align: left;">Budgeted Sales</th><th style="text-align: left;">Actual Sales</th></tr> </thead> <tbody> <tr> <td>A</td><td>750 units @ Rs.5 per unit</td><td>950 units @Rs.5.5 per unit</td></tr> <tr> <td>B</td><td>1050 units @Rs.8 per unit</td><td>1300units @ Rs. 8.25 per unit</td></tr> </tbody> </table> <p>D) Enumerate three advantages and disadvantages of Throughput accounting.....(3)</p>	Product	Budgeted Sales	Actual Sales	A	750 units @ Rs.5 per unit	950 units @Rs.5.5 per unit	B	1050 units @Rs.8 per unit	1300units @ Rs. 8.25 per unit	
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(B)



<b>Semester (Nov 2022 – March 2023)</b>		
<b>Examination: End Semester Examination March 23 (UG Programmes)</b>		
<b>Programme code: 03</b> Programme: Accounting & Finance	<b>Class: TYBAF(Hons)</b>	<b>Semester: VI</b>
<b>Name of the Constituent College:</b> S K Somaiya College	<b>Name of the Department:</b> Accounting & Finance	
<b>Course Code:</b> 131U03V602	<b>Name of the Course:</b> Security Analysis and Portfolio Management	
<b>Duration : 2 Hrs.</b>	<b>Maximum Marks : 60</b>	
<b>Instructions:</b> 1) Draw neat diagrams 2) Assume suitable data if necessary 3) Use of Simple Calculator is allowed		

Q. No.		Max. Marks																																			
Q.1	<p>Attempt the following:</p> <p>A) Explain different factors conducive for investments in India. (8 Marks)</p> <p>B) What do you mean by portfolio management? Explain its objectives. (7 Marks)</p> <p style="text-align: center;"><b>OR</b></p> <p>C) "Technical analysis is done with the help of charts" explain. (8Marks)</p> <p>D) Explain how the efficient frontier is determined using Markowitz Model. (7 Marks)</p>	(15)																																			
Q.2	<p>Attempt the following:</p> <p>A) The details of three portfolios are given below. Compare these portfolios on performance using the Sharpe, Treynor and Jensen's ratio. (8 Marks)</p> <table border="1"><thead><tr><th>Portfolio</th><th>Average Returns</th><th>Standard Deviation</th><th>Beta</th></tr></thead><tbody><tr><td>A</td><td>15%</td><td>0.25</td><td>1.25</td></tr><tr><td>B</td><td>12%</td><td>0.30</td><td>0.75</td></tr><tr><td>C</td><td>10%</td><td>0.20</td><td>1.10</td></tr><tr><td>Market Index</td><td>12%</td><td>0.25</td><td>1.20</td></tr></tbody></table> <p>The rate of return on Government bonds is 9%</p> <p>B) Following information is available in respect of two securities : (7 Marks)</p> <table border="1"><thead><tr><th>Security</th><th>Ashwa Ltd</th><th>Medha Ltd.</th></tr></thead><tbody><tr><td>Expected returns</td><td>15%</td><td>20%</td></tr><tr><td>Standard Deviation</td><td>10%</td><td>15%</td></tr><tr><td>Weight</td><td>50%</td><td>50%</td></tr><tr><td>Co-variance.</td><td>100</td><td></td></tr></tbody></table>	Portfolio	Average Returns	Standard Deviation	Beta	A	15%	0.25	1.25	B	12%	0.30	0.75	C	10%	0.20	1.10	Market Index	12%	0.25	1.20	Security	Ashwa Ltd	Medha Ltd.	Expected returns	15%	20%	Standard Deviation	10%	15%	Weight	50%	50%	Co-variance.	100		(15)
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Find out the risk and return of the portfolio. Also find out the correlation between the return of X and Y.

**OR**

C) What is Security Market Line? Differentiate it from Capital Market Line. **(8 Marks)**

D) Explain Elliot Wave Theory. **(7 Marks)**

**Q.3** Attempt the following:

A) NSE Nifty closing prices from 1<sup>st</sup> November 2022 were as follows: **(8 Marks)**

Trading Day	Date	Day	Nifty
1	1 <sup>st</sup> November	Thursday	8910.50
2	2 <sup>nd</sup> November	Friday	9050.25
3	3 <sup>rd</sup> November	Saturday	No trading
4	4 <sup>th</sup> November	Sunday	No trading
5	5 <sup>th</sup> November	Monday	9110.00
6	6 <sup>th</sup> November	Tuesday	9340.50
7	7 <sup>th</sup> November	Wednesday	9390.00

Calculate Exponential Moving Average (EMA) of Nifty during the above period.  
The 30 days simple moving average of Nifty can be assumed as 9,220.

B) The following figures are available for Orbit Ltd as on 31.3.22 **(7 Marks)**

Net Sales = 15 Crores

EBIT as % of Net Sales = 12%

Capital Employed:

- a) Equity Capital = 5 Crore
- b) 13% Preference Share Capital = 1 Crore
- c) 15% Debts = 3 Crore

Tax Rate = 40%, Combine Leverage Ratio is 3

You are required to Calculate:

Return on Equity, Operating Leverage Ratio and Financial Leverage Ratio.

**OR**



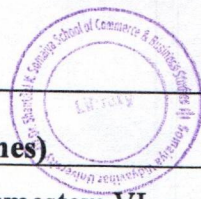


	<p>C) If a bond has a face value of Rs. 1,000 and pays 3% coupon annually with YTM of 7% having maturity of 6 years. Calculate its duration. The bond is redeemed at par at the end of the maturity. <b>(8 Marks)</b></p> <p>D) Explain Dow Jones theory with its application. <b>(7 Marks)</b></p>	
<b>Q.4</b>	<p>Attempt the following : <b>(5 X 3 Marks)</b></p> <p>a) Annual Gross Sale of the company is Rs. 12,50,000, Company informed that sales returns amounted to Rs. 50,000 and <math>\frac{1}{3}</math><sup>rd</sup> sales after returns is cash sales. Closing debtors and Bills receivables amounted to Rs. 1,60,000. Is company efficient in recovering the debts if standard credit period is 3 months.</p> <p>b) Mr. Sagar purchased shares of Rs. 80,000 at the beginning of the year. He sold 50% of his holding on year end for Rs. 55,000. He is in the receipt of dividend of Rs. 750 in respect of shares he sold. Calculate holding period returns.</p> <p>c) A Bond of Rs. 1,000 has coupon rate of 8 percent p.a. and maturity period of 3 years. The bond is currently selling at Rs. 910. What is the YTM.</p> <p>d) How RSI is used in technical analysis</p> <p>e) What are the different types of correlations exists between securities.</p>	<b>(15)</b>





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Semester (Nov 2022 – March 2023)		
Examination: End Semester Examination March 23 (UG Programmes)		
Programme code: 03	Class: TYBAF(Hons)	Semester: VI
Programme: Accounting & Finance		
Name of the Constituent College: S K Somaiya College	Name of the Department: Accounting & Finance	
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Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary 3) Use of Simple Calculator is allowed		

Q. No.		Max. Marks																				
Q.1	<p>Attempt the following:</p> <p>A) Define the term Investment and explain investment attributes. (8 Marks)</p> <p>B) Explain the different types of Investors. (7 Marks)</p> <p style="text-align: center;"><b>OR</b></p> <p>C) Define the term Portfolio Analysis and explain components of portfolio analysis. (8 Marks)</p> <p>D) “Charts Patterns helps in analyzing share prices” explain with the help of diagram. (7 Marks)</p>	(15)																				
Q.2	<p>Attempt the following:</p> <p>A) Following details of the securities Axis Ltd and Boxer Ltd are provided under different economic condition. At present both shares are trade at Rs. 1,000. (8 Marks)</p> <table border="1"><thead><tr><th>Economic Condition</th><th>Probability</th><th>Expected price of Axis Ltd</th><th>Expected Price of Boxer Ltd</th></tr></thead><tbody><tr><td>High Growth</td><td>0.3</td><td>1,450</td><td>1,550</td></tr><tr><td>Low Growth</td><td>0.4</td><td>1,200</td><td>950</td></tr><tr><td>Stagnation</td><td>0.2</td><td>1,300</td><td>1,300</td></tr><tr><td>Recession</td><td>0.1</td><td>900</td><td>1,250</td></tr></tbody></table> <p>i) Which company has more risk to invest?</p> <p>ii) Which company is best for investing an amount of Rs. 10,000 on the basis of expected returns and risk involved.</p>	Economic Condition	Probability	Expected price of Axis Ltd	Expected Price of Boxer Ltd	High Growth	0.3	1,450	1,550	Low Growth	0.4	1,200	950	Stagnation	0.2	1,300	1,300	Recession	0.1	900	1,250	(15)
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- B) In January 2021, Mr Shardul purchased the following shares of different companies, the details were as follows: **(7Marks)**

Company	No of Shares	Purchase Price	Total Dividend	Market Price	Bonus Shares
Asian Paints	300	250	900	230	1 : 3
HDFC	400	150	750	390	
Runwal	300	230	1000	295	
Tata Elxi	400	300	450	250	1 : 4

Mr. Shardul Paid brokerage of Rs. 10,350 on purchase of shares. He sold all his securities in January, 2022 by paying a brokerage of Rs. 12,900. Calculate the holding period returns on the investments of Mr. Shardul.

**OR**

- C) Explain in brief different types of risk associated with Bonds. **(8 Marks)**  
D) Write the Characteristics of Bond and how bond returns are measured.

**(7 Marks)**

Q.3 Attempt the following:

(15)

- A) The Data Relating to 2 companies are as given below: **(8 Marks)**

Particulars	Arjun Ltd	Pandit Ltd
Equity Share Capital of Rs. 10/- Each	6,00,000	3,50,000
12% Debentures	4,00,000	6,50,000
Output in Units	6,000	15,0000
Selling price per unit	30	250
Fixed cost	7,00,000	14,00,000
Variable cost Per Unit.	10	75

You are required to calculate the Operating Leverage, Financial Leverage and Combine Leverage and EPS.

- B) Following data is available in respect of portfolio of Mr. Muni. **(7 Marks)**

Company	Weight	Expected returns	Standard deviation
Akshara Ltd	50%	20%	24%
Nirakshara Ltd	50%	12%	16%



- a) Find out the correlation between the returns if the standard deviation of portfolio is 20%
- b) Find out the standard deviation of portfolio comprising Akshara Ltd and Nirakshara Ltd in the ratio of 25% and 75%.

OR

- C) The Evergreen Investment company manages a stock fund consisting of four stock with the following market values and beta: (8 Marks)

Stock	Market value	Beta
ACC Ltd	4,00,000	1.16
Wipro Ltd	2,00,000	1.20
Cipla Ltd	3,00,000	0.80
Jindal Ltd.	1,00,000	0.50

If the risk free rate of return is 9% and the market return is 15%, what is the portfolio's expected return . USE CAPM Model.

- D) What is Security Market Line? Explain its application with the help of diagram. (7 Marks)

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

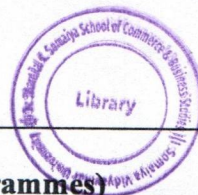
- a) Total sales for the year of Hextaware ltd is Rs. 30,00,000 and it earns gross profit of 25% on sales. Stock turnover ratio is 5 times and closing stock is 50,000 more than opening stock. Find the value of closing stock.
- b) A Government of India bond of Rs. 1,000 each has a coupon rate of 7.5% p.a. and maturity period is 20 years. If the current market price is Rs. 1060, find YTM
- c) Mr. Ajit holds two securities. Following are the details of the same:
- Security A: Average Returns - 13%, Standard Deviation - 0.25, Beta - 1.25
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(15)





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3

Semester (Nov 2022 – March 2023)		
Examination: End Semester Examination March 23 (UG Programmes)		
Programme code: 03 Programme: Accounting & Finance	Class: TYBAF(Hons)	Semester: VI
Name of the Constituent College: S K Somaiya College	Name of the Department: Accounting & Finance	
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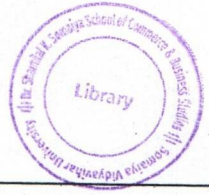
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Semester (November 2022 to March 2023)			
Examination: End Semester Examination March/April 2023 (UG Programmes)			
Programme code: 03		Class: TYBAF	Semester: VI
Programme: BAF / BAF HONOURS			
Name of the Constituent College: S K SOMAIYA COLLEGE		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	<p>i) Short note : Electronic cash ledger.</p> <p>ii) Discuss the procedure for clearance of imported goods and under what circumstances can goods be cleared without payment of duty.</p> <p style="text-align: center;"><b>OR</b></p>	(07) (08)																																				
Q.1. B.	<p>Answer the following questions whether blocked credit provisions are applicable or not along with reasoning :</p> <p>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.</p> <p>b) A manufacturing firm purchased raw material worth Rs 1,00,000 for installation of plant and machinery in the factory .</p> <p>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.</p> <p>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.</p> <p>e) Raw material worth Rs 10,000 was utilized for manufacture of a underground petrol tank by KARA Motors and Pumps.</p>	(15)																																				
Q.2. A.	<p>Compute the assessable value in each case for customs purpose from following information :-</p> <table><tr><th>Particulars</th><th>Case 1</th><th>Case 2</th><th>Case 3</th></tr><tr><td>Price payable to the seller</td><td>10000</td><td>20000</td><td>30000</td></tr><tr><td>Cost of packing materials</td><td>1000</td><td>Nil</td><td>500</td></tr><tr><td>Labor charges for packing</td><td>200</td><td>Nil</td><td>300</td></tr><tr><td>Price of material supplied free of cost by buyer to seller</td><td>1000</td><td>500</td><td>2000</td></tr><tr><td>Cost of transport</td><td>1000</td><td>Unascertained</td><td>500</td></tr><tr><td>Insurance</td><td>Unascertained</td><td>Unascertained</td><td>500</td></tr><tr><td>Local transport in India</td><td>500</td><td>400</td><td>600</td></tr><tr><td>Mode of transport</td><td>Sea</td><td>Sea</td><td>Air</td></tr></table> <p style="text-align: center;"><b>OR</b></p>	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	(15)
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Q.2. B. Q.2. C.	<p>Short note : Anti-dumping duty</p> <p>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.</p> <p>Will your answer change if the canalizing agent is acting as a buyer's agent in the foreign country.</p>	(07) (08)
Q.3. A	<p>Determine the dutiable baggage and duty payable by Mr. Ram who came back to India after a gap of 23 months when he was employed in Dubai for a multinational company –</p> <ol style="list-style-type: none"> <li>personal effects to the tune of RS 3,00,000 ( this includes watches of Rs 120000 )</li> <li>2 laptops each worth Rs. 1,20,000 each</li> <li>3 liters wine worth Rs. 30,000</li> <li>A writing pen of Lexis brand worth Rs 1,00,000 which is claimed as personal effect by him.</li> <li>He also bought his professional equipment's worth Rs. 2,00,000.</li> <li>He also brought 20 cartridges along with a firearm for his personal safety.</li> </ol> <p>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.</p> <p style="text-align: center;"><b>OR</b></p>	(10)
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.	<p>i) Ram of Rampur imported by post a parcel worth Rs 1,00,000 on 14<sup>th</sup> 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 ]</p> <p>ii) Explain the meaning of the entry inward and entry outward in the customs law.</p> <p>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.</p>	(15)