SOMAIYA
VIDYAVIHAR UNIVERSITY

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

QUESTION PAPERS

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

Sr. No.	Subject	Available
1.	131U03V501 – International Taxation (A)	
2.	131U03V501 – International Taxation (B)	
3.	131U03C501 – Corporate Accounting III (A)	
4.	131U03C501 – Corporate Accounting III (B)	
5.	131U03V502 – Strategic Management	
6.	131U03C502 – Cost & Management Accounting III	
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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 Attain ment
Q1	Mr. A, a resident of Mauritius, receives dividend income from an Indian company. 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. **(15 marks)** The relevant extract from the India Mauritius DTAA has been reproduced for your reference: *"ARTICLE 10 - DIVIDENDS* *1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.* *2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed—* *(a)five per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends ;* *(b)fifteen per cent of the gross amount of the dividends in all other cases.*	15	03

	This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid. *3. Notwithstanding the provisions of paragraph (2), dividends paid by a company which is a resident of Mauritius to a resident of India may be taxed in Mauritius and according to the laws of Mauritius, as long as dividends paid by companies which are residents of Mauritius are allowed as deductible expenses for determining their taxable profits. However, the tax charged shall not exceed the rate of the Mauritius tax on profit of the company paying the dividends.* *4. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident."*		
	OR		
Q1	Mr. A, a resident of Hong Kong, transfers shares in an Indian company on 15 December 2022 and earns capital gains. The shares in the Indian company were acquired on 1 April 2018. 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. The relevant extract from the India Hong Kong DTAA has been reproduced for your reference: *"ARTICLE 14- CAPITAL GAINS* .... *4. Gains derived by a resident of a Contracting Party from the alienation of shares of a company deriving more than 50 per cent of its asset value directly or indirectly from immovable property situated in the other Contracting Party may be taxed in that other Party.* *5. Gains from the alienation of shares other than those mentioned in paragraph 4 in a company which is a resident of a Contracting Party may be taxed in that Party.* *6. Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3, 4 and 5, may be taxed in each Contracting Party in accordance with the provisions of its domestic law.* *7. 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 alienation of property in respect of which the capital gains are derived is to take advantage of this Article by means of that alienation."*	15	03

Q2	Ms Padmini, an individual resident retired employee of the Prasar Bharati aged 60 years, is a well - known dramatist deriving income of Rs. 1,10,000 from theatrical works played abroad. Tax of Rs. 11,000 was deducted in the country where the plays were performed. India does not have any Double Tax Avoidance Agreement under section 90 of the Income-tax Act, 1961, with that country. Her income in India amounted to Rs. 6,10,000. In view of tax planning, she has deposited Rs. 1,50,000 in Public Provident Fund and paid a contribution to the approved Pension Fund of LIC Rs. 32,000. She also contributed Rs. 28,000 to Central Government Health Scheme during the previous year and gave payment of medical insurance premium of Rs. 26,000 to insure the health of her mother, a non-resident aged 84 years, who is not dependent on her. Compute the tax liability of Nandita for the Assessment year 2022-23, assuming that she does not opt for section 115BAC. **(15 marks)**	15	02
	OR		
Q2	a) Examine when an advance ruling pronounced by the Authority for Advance Rulings be declared void. What is the consequence? **(5 marks)** b) XYZ Ltd., an Indian company has entered into a technical knowhow agreement with ABC Inc. from Country A. ABC Inc. has a sister concern, PQR LLC. in Country A, which has obtained 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 2022? Examine. **(10 marks)**	15	04
Q3	Explain in detail the concept of Permanent Establishment with the types. Kindly provide suitable examples to substantiate your answers. **(15 marks)**	15	02
	OR		
Q3	Mr. A, a non-resident individual, remitted USD 40,000 to India on 16 September 2005, part was utilised on 3 October 2005 for purchasing 10,000 equity shares in A Ltd, Indian company. The cost of acquisition of the shares was Rs. 12 per share. Mr. A transferred all the equity shares in A Ltd. to Mr. B, an Indian resident on 30 March 2022 at Rs. 48 per share. The details of the SBI telegraphic rates have been provided below for calculation of capital gains in the hands of Mr. A by applying the first proviso to section 48 of the Income-tax Act, 1961. **(15 marks)**	15	01

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<tr><th>Date</th><th>SBI TT
Buying rate</th><th>SBI TT
Selling rate</th></tr>
<tr><td>16-Sep-05</td><td>18</td><td>20</td></tr>
<tr><td>03-Oct-05</td><td>19</td><td>21</td></tr>
<tr><td>30-Mar-22</td><td>59</td><td>61</td></tr>
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<td>Q4</td>
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Answer the following: (5 marks each)

a) Calculate the income-tax liability for an Indian resident individual, 65 years of age, where the Net Taxable Income for AY 2022-23 is Rs. 12,000,000 assuming that he does not opt for section 115BAC. (5 marks)

b) Mr. A, an Indian resident, is an agent of Sing Co, a company resident in Singapore. Explain the considerations to be analysed to determine whether Mr. A would constitute an Agency PE for Sing Co in India. (5 marks)

c) Mr. X left India for the first time on 20 May 2020. During the financial year 2022-23, he came to India once on 27 May 2022 for a period of 53 days. Determine the residential status for assessment year 2022-23. (5 marks)
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<td>01, 02</td>
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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	Mr. A, a resident of Mauritius, receives interest income from an Indian company. 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. Assume that Mr. A is liable to tax at 20% as per the provisions of the Indian Income-tax Act, 1961. **(15 marks)** The relevant extract from the India Mauritius DTAA has been reproduced for your reference: *"ARTICLE 11- INTEREST* ………… *1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.* *2. However, subject to provisions of paragraphs 3, 3A and 4 of this Article, such interest may also be taxed in the Contracting State in which it arises, and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 7.5 per cent of the gross amount of the interest…"*	15	03
	OR		

Q1	Mr. A, a resident of Singapore, transfers shares in an Indian company on 15 November 2022 and earns capital gains. The shares in the Indian company were acquired on 1 April 2018. In light of the India Singapore 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. The relevant extract from the India Singapore DTAA has been reproduced for your reference: *"ARTICLE 13- CAPITAL GAINS* ………. *4A. Gains from the alienation of shares acquired before 1 April 2017 in a company which is a resident of a Contracting State shall be taxable only in the Contracting State in which the alienator is a resident.* *4B. Gains from the alienation of shares acquired on or after 1 April 2017 in a company which is a resident of a Contracting State may be taxed in that State.* *4C. However, the gains referred to in paragraph 4B of this Article which arise during the period beginning on 1 April 2017 and ending on 31 March 2019 may be taxed in the State of which the company whose shares are being alienated is a resident at a tax rate that shall not exceed 50% of the tax rate applicable on such gains in that State.* *5. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3, 4A and 4B of this Article shall be taxable only in the Contracting State of which the alienator is a resident."*	15	03
Q2	Write a note on the process of application to the Authority of Advance Ruling. **(15 marks)**	15	04
	OR		
Q2	Based on the facts of the case provided below, analyse whether Company A is engaged in 'Active Business Outside India': • Company A Co. is a sourcing entity, for an Indian multinational group, incorporated in country X and is 100% subsidiary of Indian company (B Co.). • The warehouses and stock in them are the only assets of the company and are located in country X • All the employees of the company are also in country X	15	02

	The average income wise breakup of the company's total income for three years is a) 30% of income is from transaction where purchases are made from parties which are nonassociated enterprises and sold to associated enterprises b) 30% of income is from transaction where purchases are made from associated enterprises and sold to associated enterprises c) 30% of income is from transaction where purchases are made from associated enterprises and sold to non-associated enterprises d) 10% of the income is by way of interest. All the directors of the A Co. are Indian residents. During the relevant previous year 5 meetings of the Board of Directors were held of which two were held in India and 3 outside India with two in country X and one in country Y.		
Q3	Explain the concept of Place of Effective Management along with the process of determination of POEM of a foreign company in India. Also, analyse in detail the CBDT guidelines provided for determination of POEM. **(15 marks)**	15	01
	OR		
Q3	Explain the double taxation relief provisions under the Income-tax Act, 1961. **(15 marks)**	15	02
Q4	**Answer the following: (5 marks each)** a) Calculate the income-tax liability for an Indian resident individual, 59 years of age, where the Net Taxable Income for AY 2022-23 is Rs. 35,000,000 assuming that he does not opt for section 115BAC. **(5 marks)** b) Mr. A, a non-resident, resident of the UK, holds 30% of the total share capital in M/s ABC Ltd, a company incorporated in Mauritius. M/s ABC directly owns assets in India. Mr. A transfers his entire share capital in M/s ABC Ltd to Mr. B, an Indian resident. Evaluate whether the income earned by Mr. A 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)** c) Mr. A, an Indian resident, is an agent of Sing Co, a company resident in Singapore. Explain the considerations to be analysed to determine whether Mr. A would constitute an Agency PE for Sing Co in India. **(5 marks)**	15	01, 02

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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	Aavishkar Investment Co. Ltd. Pune hold 400 12% debentures of ₹ 100 each in Bajaj Auto Ltd. Pune on 1st April, 2017 at a cost of ₹ 50,000. Interest is payable on 30th June and 31st December every year. On 1st June, 2017; 200 debentures are purchased cum-interest at ₹ 21,400. On 1st November, 2017; 300 debentures are sold ex-interest at ₹ 28,650. On 30th November, 2017; 200 debentures are purchased ex-interest at ₹ 19,200. On 31st December, 2017; 300 debentures are sold cum-interest for ₹ 32,250. The debentures were quoted at par on 31st March, 2018. Prepare Investment Account as on 31st March, 2018. **OR**	15	03
Q1 B	The following was Balance Sheet of X Ltd as on 31/3/2023.	15	04

Liabilities	₹	Assets	₹
14% Preference Shares of 100 each	4,00,000	Land	40,000
8,000 Equity Shares of ₹ 100, ₹ 60 paid up	4,80,000	Buildings	1,60,000
14% Debentures (having floating charge on all assets)	2,30,000	Plant & Machinery	5,40,000

Interest on above 14% Debentures (having floating charge on all assets)	32,200	Patents	40,000
Loan on Mortgage of Land & Building	1,50,000	Stock	1,00,000
Sundry Creditors	1,17,800	Debtors	2,30,000
		Bank	60,000
		Profit & Loss A/c	2,40,000
	14,10,000		**14,10,000**

The company went into liquidation.

a. The dividend on Preference Shares was in arrears for one year.

b. Sundry Creditors include preferential creditors ₹ 30,000.

c. Assets Realised as follows,

d. Land 80,000, Building 2,00,000, Plant & Machinery 5,00,000, Patent 50,000, Stock 1,60,000, Debtors 2,00,000.

e. Expenses on liquidation amounted 29,434. The liquidator's commission is 2% on all assets realised except Bank balance and 2% on amount paid to unsecured creditors other than preferential creditors. All payments were made on 30 June 2023. Interest on mortgage loan shall be ignored at the time of payment.

You are required to prepare Liquidators Final Statement of Account.

Q2 A Following is the Balance Sheet of Danny Ltd. As on 31st March, 2018. **15** **05**

Particulars	Amount (₹ in 000)
Liabilities :	
Issued and Paid-up Capital :	
3,00,000 Equity Shares of ₹ 10 each	3,000
General Reserve	100
Securities Premium	5
10% Debentures	1,400
Sundry Creditors	1,560
Total	**6,065**
Assets :	
Land & Building	630
Plant & Machinery	2,350
Furniture & Fittings	350

Investments	370
Stock	1,200
Sundry Debtors	590
Cash and Bank Balance	575
Total	**6,065**

On 1st April, 2018; the shareholders of the company have approved the scheme of Buy-back of equity shares as under :

i) 15% of the equity shares would be bought-back at ₹ 11 per share.

ii) Balance in the general reserve and securities premium account may be fully utilized for this purpose.

iii) Issue 12% redeemable preference shares of ₹ 10 each as per the requirements.

Pass the Journal Entries to record the above transactions and prepare the Balance Sheet of the companyimmediately after the buy-back of shares.

OR

Q2 B | **15** | **03**

On 1st April 2022 Mr Ajay had 30,000 equity shares in Wipro limited face value of the share ₹10 each purchased at ₹14 per share.

On 1st July 2022 Mr Ajay purchased 6000 additional equity shares for ₹16 per share. On 31st July 2022 directors of the company announced a bonus and rights issue.

Bonus was declared at the rate of one equity share for 6 share held. Bonus shares were received all 5th August 2022.

Right issue was as per following terms:

1. One Right share to be issued for every 3 shares held at ₹15 per share. Full amount was payable by 30th September 2022.
2. Ajay exercises his option and subscribed for 60% of entitlement and balance of rights, he sold to vikas for consideration of ₹1.5 per share.
3. Dividend for the year ended 31st March 2022 @ 14% was declared by the company and received by Ajay on 22nd October 2022.
4. On 1st November 2022 he sold 25,000 shares at ₹15 per share.

Prepare investment account of equity shares in Wipro limited for the year ended 31st March 2023 in the books of Mr Ajay.

Q3 A	The following is summary balance sheet of Vikrant limited.	15	01

Liabilities	₹	Assets	₹
Equity Share Capital	5,00,000	Intangible Assets	50,000
Statutory Reserve (To be maintained for 3 more years)	10,000	Fixed Assets	4,20,000
Debentures	1,00,000	Current Assets	1,10,000
Creditors	50,000	Profit & Loss A/c	80,000
	6,60,000		**6,60,000**

Virat limited was incorporated to absorb Vikrant limited on the following terms.

1. Virat limited agreed to take over all the assets and liabilities.
2. The assets of Vikrant limited are to be considered to be worth ₹5,00,000.
3. The purchase price is to be paid ¼ in cash and the balance in shares which are issued at market price.
4. Liquidation expenses amounted to ₹300 agreed to be paid by Vikrant limited.
5. Market value of share of ₹10 each of Virat limited is ₹12 per share.
6. Debentures of Vikrant limited were paid.

You are required to show :

a. Purchase Consideration
b. Ledger Accounts in the books of Vikrant Ltd.
c. Opening Entries in the books of Virat Ltd.

OR

Q3 B	The following is the Balance Sheet of Devis Ltd. As on 31st March, 2022:	15	02

Balance Sheet

Liabilities	₹	Assets	₹
2000 Equity shares of ₹ 100 each	2,00,000	Goodwill	50,000
1500 10% Preference Shares of ₹ 100	1,50,000	Plant and Machinery	2,10,000
Sundry Creditors	42,500	Stock	79,175

Capital Reserve	36,000	Debtors	30,200
Bank Overdraft	51,000	Leasehold Property	80,000
Depreciation Provision :		Profit and Loss A/c	1,10,375
Leasehold Property	30,000	Formation Expenses	7,250
Plant and Machinery	57,500		
	5,67,000		**5,67,000**

The following Scheme of reconstruction was sanctioned:

1. The equity shares be reduced by ₹ 87.50 per share.
2. The Preference shares be reduced by ₹ 50 each.
3. Balance in Capital Reserve should not be used.
4. To Write off Profit and Loss A/c and intangible assets including formation Expenses.
5. Plant and Machinery to be maintained at ₹ 75,000.

Give Journal Entries in the books of Devis Ltd. and Prepare Balance Sheet after reconstruction.

Q4	**Answer the following**	**15**	
Q4 A	H Ltd. is taken over by F Ltd. Assets and liabilities of H Ltd taken over are as follows.	**05**	**01**

Particulars	**Book Value**	**Revised Value**
Fixed Assets	20,65,000	16,40,000
Stock	2,70,000	2,70,000
Debtors	2,10,000	2,10,000
Bank	18,000	18,000
Creditors	1,50,000	1,50,000
10% Debentures	2,25,000	2,25,000

Purchase Consideration was calculated to ₹ 18,42,500. You are required to calculate Goodwill / Capital Reserve to be recorded in the books of F Ltd.

Q4 B	A liquidator is entitled to receive remuneration @ 2% of the assets realized and 3% of the amount distributed among the unsecured creditors. The assets realized ₹ 25,00,000 against which payment was	**05**	**04**

	made as follows. Liquidation Expenses ₹ 25,000, preferential creditors ₹75,000 and secured creditors ₹ 10,00,000. Calculate remuneration to the liquidator.		
Q4 C	The following balances appeared in the books of Aryan Ltd. 1,00,000 Equity Shares of ₹ 10 each - ₹ 10,00,000/- General Reserve - ₹ 2,00,000/- Profit & Loss A/c - ₹ 8,00,000/- Ascertain the maximum number of Equity Shares can be bough back at a price of ₹ 20 each.	**05**	**05**

(B)

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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	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.	15	02

Balance Sheet as pa 31/12/2022

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**

The following scheme of reconstruction was sanctioned by the shareholders:

a) Goodwill, patents and preliminary expenses are to be written off completely.

b) Plant is to be reduced by 20% and debtors by 25%.

c) Stock is to be valued at ₹ 17,500.

d) Shareholders to receive in lieu of their present holdings as follows.

	i) Fully paid equity shares to 2/5 of their holding. ii) 8% preference shares fully paid to the extent of 1/5 of the above new equity shares. iii) ₹ 42,000 in 8% Debentures. Give the Journal Entries of reconstruction and prepare a new Balance Sheet in the books of RahulCompany Ltd. **OR**		
Q1 B	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. On 1/6/2022 800 6% Debentures purchased cum-interest at ₹ 81,600. On 1/11/2022 800 6% Debentures purchased ex-interest at ₹ 76,800. On 30/11/2022 1200 6% Debentures sold cum-interest at ₹ 1,29,000. On 31/12/2022 1600 6% Debentures sold ex-interest at ₹ 1,54,600. Prepare 6% Debentures account in the books of Mr. J for the year ended 31/3/2023.	**15**	**03**
Q2 A	Balance Sheet of M/s Ketan Ltd. as on 31/3/2023 as follows.	**15**	**05**

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**

Keeping in view the legal requirement, ascertain the maximum number of equity shares that Ketan Ltd. can buy back @ ₹ 25 per share.

Pass Journal Entries to record buy back and prepare a Balance Sheet thereafter.

OR

Q2 B | 15 | 03

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 :

1. On 1st Sept 2022 dividend @ ₹ 3 per share for the year ended 31/3/2022.
2. 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.

Q3 A | 15 | 01

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.

1. Cash payment of ₹ 2.50 per share in M Ltd.
2. Issue 9,000 fully paid shares of 10 each of P Ltd. having agreed value of ₹ 15 per share.
3. 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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<tr><td></td><td>discharge 6% Debentures in M Ltd at 20% premium.
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.
5. Cost of Liquidation of M Ltd. ₹ 500.
You are required to draw necessary ledger accounts in the books of M Ltd and also show journal entries in P Ltd.</td><td></td><td></td></tr>
<tr><td>Q3 B</td><td>Golden Ltd. Pune went into Voluntary liquidation on 1st January, 2018; when their Balance Sheet was as follows :
<table>
<tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr>
<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>
</table>
The liquidator realised the assets as follows :
Plant and Machinery ₹ 2,00,000, Stock ₹ 80,000, Sundry Debtors ₹ 1,00,000.
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.
The Debenture holders are paid their dues on 30th June, 2018. All the Creditors' claims were admitted and paid in full.
Prepare Liquidator's Final Statement of Account</td><td>15</td><td>04</td></tr>
<tr><td>Q4</td><td>Answer Following</td><td>15</td><td></td></tr>
<tr><td>Q4 A</td><td>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.</td><td>05</td><td>05</td></tr>
<tr><td>Q4 B</td><td>X Ltd is in the process of Internal Reconstruction. Pass Journal Entries for the following.</td><td>05</td><td>02</td></tr>
</table>

	a. Fixed Assets of ₹ 2,00,000 reduced to ₹ 1,75,000 b. Write off Goodwill 2,50,000 c. It has Creditors of ₹ 5,00,000, 20% amount to be forgone and remaining is converted to 8% Debentures. d. 1,60,000 Equity Shares of ₹ 10 reduced to ₹ 5 per share.		
Q4 C	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 : Share Capital 50,000 shares of ₹ 10 each 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 Prepare Liquidator's Statement of Account.	**05**	**04**

BAF(H)
2023

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)	Elaborate the process of Strategic Management with relevant diagram & example.	(15)	CO 1 & 2
	OR		
Q.1 (b)	Discuss the term Environmental Scanning with the importance of environmental scanning in strategic management.	(10)	CO 1 & 2
Q.1 (c)	Illustrate the three hierarchical levels of strategy in detail.	(5)	CO 1 & 2
Q.2 (a)	Determine the formulation of corporate level strategies in detail.	(15)	CO 2
	OR		
Q.2 (b)	Construct the structure of BCG Matrix with example.	(8)	CO 2 & 3
Q.2 (c)	Make a use of Porters five forces model of competition in detail.	(7)	CO 2 & 3
Q.3 (a)	Is outsourcing a good business exercise for developed countries. Explain.	(8)	CO 5
Q.3 (b)	Discuss the importance of Information Technology driven strategies in today's businesses.	(7)	CO 4
	OR		
Q.3 (c)	Interpret the steps in Turnaround strategy.	(8)	CO 5
Q.3 (d)	Illustrate the types of Strategic Alliances.	(7)	CO 4
Q.4 (a)	Suppose you are working with an accountancy firm & there have been recent technological changes in the firm, explain how those changes would be affecting the strategies of the organization?	(5)	CO 1 & 5

Q.4 (b)	Suppose you are the team leader, and you are asked to prepare a plan for disaster management, as a process of effectively preparing for and responding to disasters. how you would communicate with your team members for effective planning of disasters.	(5)	CO 1 2 & 5
Q.4 (c)	Ms. Sonal is planning to have her own new start-up of selling ayurvedic tea. Analyze the key start up strategies that can be helpful for her to have a startup in India.	(5)	CO 1 & 5

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

Question No.		Max. Marks	Co Attainment
Q.1	A. As on 31st March, 2022 the following balances existed in Sharad Co's Non-integrated Cost Ledger.	15	CO1

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

The following transactions took place during the next year.

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

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.

OR

		Max. Marks	Co Attainment
	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:	15	CO5

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

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.

Q.2 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. 15 CO3

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

Output of process I is transferred to process Il at 25% profit on the transfer price.

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.

Required: Process cost accounts and finished goods account showing the profit element at each state.

OR

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 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

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: 15 CO5

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 quater
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.

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: CO4

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

E. Calculate Debtors turnover and Collection period: CO5

Net credit sales: Rs. 2,40,000

Net Debtors: Rs. 30,000

Net Bills Receivable: Rs. 10,000