Knowledge Alone Liberates
ज्ञानादेव तु कैवल्यम्
Somaiya Vidyavihar

SOMAIYA
VIDYAVIHAR UNIVERSITY

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

QUESTION PAPERS

BRANCH: Bachelor of Commerce (Accounting & Finance) Hons.	**SEM: VI**
	APR-2024

Sr. No.	Subject	Available
1.	131U03C601 – Advanced Accounting	
2.	131U03V601 – Transfer Pricing	
3.	131U03C602 – Advanced Costing Techniques (A), (B)	
4.	131U03V602 – Security Analysis & Portfolio Management	
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (November 2023 to March 2024) Examination: End Semester Examination March/April 2024 (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 indicate full marks.
3) Use of a simple calculator is allowed.

Q. No.		Max Mar.	Co
Q.1.	From the following trial balance and additional information Prepare a Balance Sheet of HDFC Bank Ltd. As on 31st March 2024	15	01

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

Additional Information: -

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

OR

Q.1.	From the following information prepare Profit & Loss a/c of Dena Bank Ltd. As on 31-3-24	15	01

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

Rent & Taxes paid	50,000
Postage & Telegrams	32,670
Statutory Reserve fund	4,00,000
Commission, exchange & brokerage	95,000
Rent received	36,000
Profit on sale of investment	1,12,900
Depreciation on assets	20,000
Statutory expenses	19,000
Preliminary expenses	15,000
Auditors' fees	6,000

Additional Information: -

1. A customer to whom a sum of ₹ 5 lakhs was advanced has become insolvent. & it is expected only 55% can be recovered from his estate.
2. There was also other debt for which a provision of ₹ 1,00,000 was found necessary
3. Rebate on bills discounted on 31st Mar. 2023 was ₹ 7,500 & on 31st March 2024 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 a 5% dividend.

Q.2 From the following information taken from the books of Moksh Insurance Company Prepare final account for the year ended 31st March 2024: - 15 02

PARTICULARS	₹ in Lakhs	PARTICULARS	₹ in Lakhs
Marine Fund on 1/4/2023	37.2	Share Capital	36.00
Reinsurance 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 [1/4/23]	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 31/3/24 ₹4,00,000.

c. Expenses of management includes legal expenses of ₹ 1,44,000 relating to claims

d. Transfer ₹ 8,00,000 to the General Reserve.

OR

Q.2.	BALANCE SHEET OF MUDRA LTD.	15	04

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

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

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

Q.3.	A. From the following in respect of SWAMI Ltd. Calculate the total value of Human Capital by Lev & Schwartz Model.	10	05

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%.

B. PRAPTI LTD. has a capital base of ₹ 80,00,000 & has an earned profit of ₹ 8,00,000.The return on Investment of the particular industry to which the company belongs is 10%. If the service of a particular Engineer is acquired, it is expected that profits will increase by ₹ 1,25,000 over & above the target profit. Determined the amount of maximum bid price for that particular employee & the maximum salary that could be offered to him. 05 05

OR

Q.3. As on 1st April 2018 Money Ltd. as NBFC – ND – SI, entered a Hire Purchase transaction for sale of some Motor Cars, the total Cash Price of Motor Cars amounted to ₹ 2100 Lakhs & the Hire Purchase price was ₹ 2,400 lakhs. The down payment was ₹ 300 lakhs was received on the date of sale and the balance was to be received 10 03 in 5 equal installments. The first & second installments were duly collected on 31st March 2019 & 2020. However, the hire purchaser failed to pay the installment on 31st March 2021.

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

a. Calculate basic provision.

b. Calculate the Net Book Value of Assets as on 31st March 2021 as per the prudential norms applicable. Assume the depreciation @ 20 % p.a. & that the rate of interest applicable is 6.40 %.

c. Calculate the additional provision if required to be made as per the prudential norms applicable.

B. PD Finance Ltd. a non-banking financial company, gives the following details from its Balance Sheet for the year ended 31st March 2024. You are required to calculate the Net Owned Funds as per the RBI requirements for NBFCs — 05 — 03

PARTICULARS	₹ [In Lakhs]
Paid up Equity Capital	1500
Paid up convertible preference capital	800
Non-convertible preference share capital	800
General Reserve	450
Profit & Loss A/c	325
Revaluation Reserve	500
Losses	300
Deferred Revenue Expenses	185
Patents	350
Cash & Bank balance	600
Investments in shares of subsidiaries & group companies	500
Investments in Debentures of a same group company	600

Q.4. Answer the followings: - [5 MARKS EACH] — 15

A. The following information is available in the books of Dena Bank Ltd.as on 31st MARCH 2024 — 01

Bills Discounted ₹ 85,00,000.

Rebate on Bills Discounted as on [1-4-23] ₹ 4,75,000.

Discount received ₹ 30,75,000.

Value of bill ₹	**Due Date**	**Rate of Discount**
55,00,000	12-06-2024	8%
20,00,000	28-07-2024	10%
10,00,000	11-08-2024	12%

Calculate the amount of rebate & pass necessary Journal Entries.

B. SHIVA Ltd. is an NBFC providing Hire Purchase Solutions for acquiring consumer durables. The following information is extracted from its books for the yearended 31st March 2024: 03

ASSET FUNDED	Interest overdue but recognized		Net Book Value outstanding
	Period Overdue	Interest [₹ in Lakhs]	[₹ in Lakhs]
A.C.	Up to 12 months	2100	52,500
T.V.	22 months	502	9,500
Washing Machines	34 months	137.5	5250
Refrigerators	42 months	83.50	2120
Computers	58 months	43.85	605

You are required to calculate amount of provision to be made.

C. From the following information prepare schedule of Fixed Assets as on 31st March 2024, related to final account of general insurance company. 02

Assets	**Cost**	**Provision for Dep.**
	₹	**[as on 1st April 2023]**
Goodwill	4,50,000	NIL
Building	7,50,000	50,000
Furniture	50,000	10,000
Motor Car	1,20,000	25,000
Machinery	10,00,000	2,25,000

Provide depreciation on W.D.V. of the assets at the following rate: -

ASSETS	RATE
BUILDING	10%
MACHINERY	15%
MOTOR CARS	20%
FURNITURE	5%

SOMAIYA
VIDYAVIHAR UNIVERSITY

April 2024 Examination: End Semester Examination April 2024 (UG Programmes)		
Programme code: 03 **Programme** BAF Hons.	**Class:** TY	**Semester:** VI
Name of the Constituent College: S K Somaiya College	**Name of the Department:** Accounting and Finance	
Course Code: 131U03V601	**Name of the Course:** Transfer Pricing	
Duration : 2 hours	**Maximum Marks:** 60 marks	

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	**A.** ABC Ltd., Canada holds 35% shares in LMN Ltd., India. LMN Ltd. develops software and does both onsite and offsite consultancy services for the customers. LMN Ltd. during the year billed ABC Ltd. Canada for 120 man-hours at the rate of ₹1,800 per man hour. The total cost (direct and indirect) for executing this work amounted to ₹2,25,000. However, LMN Ltd. billed XYZ Ltd.,India at the rate of ₹2,800 per man hour for the similar level of manpower and earned a Gross Profit of 50% on its cost. The transactions of LMN Ltd. with ABC Ltd. and XYZ Ltd. are comparable, subject to the following differences: • While LMN Ltd. derives technology support from ABC Ltd., there is no such support from XYZ Ltd. The value of technology support received from ABC Ltd. may be put at 18%. of normal gross profits. • As ABC Ltd. gives business in large volumes, LMN Ltd. offered to ABC Ltd., a quantity discount which may be valued at 10% of normal gross profits. • In the case of rendering services to ABC Ltd., LMN Ltd. neither runs any risk nor incurs any marketing costs. On the other hand, in the case of services to XYZ Ltd., LMN Ltd. has to assume all the risk and costs associated with the marketing function which may be estimated at 12% of the normal gross profits.	15	CO 2

	• LMN Ltd. offered one month credit to ABC Ltd. The cost of providing such credit may be valued at 2% of the gross profits. No such credit was given to XYZ Ltd. Compute the Arm's Length Price along with income to be increased under the Cost-Plus Method. **(15 marks)**		
	OR		
	B. What is the legislative objective of bringing into existence the provisions relating to transfer pricing in relation to international transactions? Examine. **(7 marks)** **C.** 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: • PQR Inc, a US company having its place of effective management also in the USA, has advanced a loan equivalent to ₹170 crores to Mahanadi Ltd., an Indian company on 10-4-2023. The total book value of assets of Mahanadi Ltd. is ₹300 crores. The market value of the assets, however, is ₹320 crores. Mahanadi Ltd. repaid ₹30 crores before 31-3-2024. • Queenland plc., a French company having its place of effective management also in the France, has the power to appoint 3 of the directors of Godavari Ltd, an Indian company, whose total number of directors in the Board is 8. • Total value of raw materials and consumables of Saraswati Ltd., an Indian company, is ₹900 crores. Of this, supplies to the tune of ₹830 crores are by Zoel GmbH, a German company having its place of effective management in Germany, at prices and terms decided by the German company. **(8 marks)**	**15**	**CO 1 and CO 2**
Q2	**A.** Examine the consequences that would follow if the Assessing Officer makes adjustment to arm's length price in international transactions of the assessee resulting in increase in taxable income. What are the remedies available to the assessee to dispute such adjustment? **(7 marks)** **B.** Mr. Hari 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 company enters into an agreement with XYZ Ltd., a company incorporated under the Indian laws. As per one of the clauses of the agreement, ABC Inc has the power to appoint 6 directors of XYZ Ltd., which has 12 directors on the board. Further, total purchases by XYZ Ltd. for the F.Y. 2023-24 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. Hari as to whether ABC Inc and XYZ Ltd are Associated Enterprises, on the basis of the provisions of the Income-tax Act, 1961. **(8 marks)**	**15**	**CO 1 and CO 2**
	OR		

	C. NP Ltd., an Indian Company, has borrowed ₹80 crores on 01-04-2023 from M/s. TL Inc, a company incorporated in London, at an interest rate of 10% p.a. The said loan is repayable over a period of 5 years. Further, loan is guaranteed by M/s ST Inc. incorporated in UK. M/s. Tweed Inc, a non-resident, holds shares carrying 40% of voting power both in M/s NP Ltd. and M/s ST Inc. Net profit of M/s. NP Ltd. for P.Y. 2023-24 was ₹7 crores after debiting the above interest, depreciation of ₹6 crores and income-tax of ₹4 crores. Calculate the amount of interest to be disallowed under the head "Profits and gains of business or profession" in the computation of M/s NP Ltd., giving appropriate reasons. **(15 marks)**	15	CO 4
Q3	**A.** Allepey Ltd. is an Indian Company in which Andes Inc., a Country Z company holds 38% shareholding and voting power. During the previous year 2021-22, 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.2022-23, 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. The Assessing Officer passed the order, in which the primary adjustments were made, on 1.6.2023. 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 2024-25 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 30.9.2023 is 9.50%. **(15 marks)**	15	CO 3
	OR		
	B. 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. 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. 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. Since Kio's order was huge in volume, quantity discount of ₹200 per unit was offered to it. 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)**	15	CO 3

Q4	**A.** A Ltd., an Indian company, provides technical services to a company, XYZ Inc., located in a NJA for a consideration of ₹40 lakhs in October, 2023. It charges ₹42 lakhs for similar services rendered to PQR Inc., which is not located in a NJA. PQR Inc. is not an associated enterprise of A Ltd. Discuss the tax implications under section 94A read with section 92C in respect of the above transaction of provision of technical services by A Ltd. to XYZ Inc. **(5 marks)** **B.** Examine whether transfer pricing provisions under the Income-tax Act, 1961 would be attracted in respect of the following cases - (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. (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. **(5 marks)** **C.** Examine the procedure to be followed by the Assessing Officer before making reference to TPO. Can the TPO enlarge his scope of work by calling for details of trading activity at Surat, when the Assessing Officer has made reference only in respect of the manufacturing unit at Hyderabad? Examine. **(5 marks)**	15	**CO 2 and CO 2 and CO 4**

BAF - VI
ACT

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2024		
Examination: End Semester Examination April 2024 (UG Programmes)		
Programme code: 03 **Programme:** Bachelor of Accounting and Finance (Hons.)	**Class:** TYBAF (Hons.)	**Semester:** VI
Name of the Constituent College: S K Somaiya College	**Name of the Department** Accounting and Finance	
Course Code: 131U03C602	**Name of the Course: Advanced Costing Techniques**	
Duration: 2 Hrs.	**Maximum Marks: 60**	

Instructions:
1) All questions are compulsory.
3) Each Question carries 15 marks.
4) **Figures** to the **right** indicate **marks** assigned to the questions.
5) **Working notes** should form **part of your answer.**

Q.No.		Max. Marks	Co Attainment
Q.1	ABC Ltd is a multiproduct company, manufacturing three products A, B and C. The Budgeted cost and production for the year ending 31st March are as follows:	(15)	CO5

	A	B	C
Production Quantity (Units)	4000	3000	1600
Resources per unit:			
- Direct Material (Kg.)	4	6	3
- Direct Labour (Minutes)	30	45	60

The Budgeted direct labour rate was ₹ 10 per hour and the budgeted material cost ₹ 2 per kg.

Production overheads were budgeted at ₹ 99,450 and were absorbed to products using the direct labour rate. ABC Ltd followed the absorption Costing System.

ABC Ltd is now considering to adopt an Activity Based Costing system. The following additional information is made available for this purpose.

1. Budgeted Overheads were analysed into the following:

	₹
Material Handling	29100
Storage Costs	31200
Electricity	39150

2. The Cost drivers identified were as follows:

Material Handling	Weight of Material handled
Storage Costs	Number of Batches of material
Electricity	Number of Machine Operation

3. Data on Cost Drivers was as follows:

	A	B	C
For Complete Production:			
Batches of material	10	5	15
Per unit of Production:			
Number of Machine Operations	6	3	2

You are requested to:

1) Prepare a Statement for management showing the unit costs and total costs of

	each product using the absorption costing. Prepare the statement for management showing the product cost of each product using the ABC approach.		
	OR		
Q.1.	A. Discuss components of TQM.	**(07)**	CO1
	B. Milton Ltd. manufactures three product details per unit are as follows.	**(08)**	CO1

Particulars	Product P	Product Q	Product R
Selling Price (Rs.)	2000	1000	1500
Variable Cost (Rs.)	800	700	850
Time required on bottleneck resource (hours per unit)	7	5	3

Budgeted factory cost for the period is Rs. 30,00,000

There are 5,00,000 bottleneck hours available for the given period.

You are required to rank the product based on product return per hour and calculate Throughput accounting ratio and comment on it.

Q.2.	The Jaywant Battery Co. furnishes you with the following income information:	**(15)**	CO2

	2019	
	First Half Year	**Second Half Year**
Sales	8,10,000	10,26,000
Profit Earned	21,600	64,800

From the above, you are asked to compute the following assumption that the fixed cost remains the same in both periods.

1) Profit Volume Ratio 2) Fixed Cost 3) Break-even Point

4) Amount of Profit or loss when sales are ₹ 6,48,000

5) Amount of Sales required to earn a profit of ₹1,08,000

OR

Q.2.	Following information is available:	**(15)**	CO

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

Total Fixed overheads ₹20,000/-

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

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

Support your answer with working.

Q.3. From the following data, compute the material variances: **(15)** CO4

	Standard Material		Actual Material	
Product	**Units**	**Rate ₹**	**Units**	**Rates ₹**
A	3,500	10	3,700	12
B	1,500	21	1,650	20
C	1,000	33	1,250	36

OR

Q.3. The following details relating to a product are made available to you: **(15)** CO4

Standard cost per unit:
Materials: 50 kg @ Rs.40 per kg
Labour: 400 hours @ Re. 1 per hour.
Actual Cost: (For an output of 10 units)
Material: 590 kg @ Rs. 42 per kg
Labour: 3960 hours @ Rs. 1.10 per unit

Calculate:
i. Material Cost Variance
ii. Material Usage Variance
iii. Material price Variance
iv. Labour Cost Variance
v. Labour Efficiency Variance
vi. Labour Rate Variance

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

(a) Explain the concept of Outsourcing. (03) CO1

(b) A customer produces and sells 100 units of Product A per month at ₹ 20. Variable cost per unit is ₹ 12.00 and Fixed Cost are ₹ 300 per month.
It is proposed to reduce the selling price by 20%.
Find the additional sales required to earn the same profit as before. (03) CO2

(c) A Company manufactures two product X and Y.
The contribution per unit is ₹40 and ₹30 respectively.
Product X requires 10 hours per unit and Product Y 6 hours per unit.
If material requirement is the limiting factor and Product X requires 16 kg per unit and Product Y requires 15 kg per unit.
Find the most profitable product? (03) CO3

(d) From the following Information: (03) CO4

	Budgeted		Actual	
Product	**Units**	**Rate ₹**	**Units**	**Rates ₹**
X	4,500	10	4,800	11

Calculate Material Price Variance

(e) Explain the concept of inter firm comparison. (03) CO5

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester End March 2024 Examination: End Semester Examination April 2024 (UG Programmes)		
Programme code: 03 **Programme:** Bachelor of Accounting and Finance (Hons.)	**Class:** TYBAF (Hons.)	**Semester:** VI
Name of the Constituent College: S K Somaiya College		**Name of the Department** Accounting and Finance
Course Code: 131U03C602	**Name of the Course: Advanced Costing Techniques**	
Duration : 2 Hrs.	**Maximum Marks : 60**	

Instructions:
1) All questions are compulsory.
2) Each Questions carries 15 marks.
3) **Figures** to the **right** indicate **marks** assigned to the questions.
4) **Working notes** should form **part of your answer.**

Q. No.		**Max. Marks**	**Co Attainment**
Q.1	Smart byte Manufacturing Company Ltd has the following data:	**(15)**	CO5

Activities	Overhead (in ₹)	Cost Driver
Procurement Cost	30,000	No of order
Repairs and maintenance	90,000	Machine hours
Set up Cost	27,000	No. of production runs
Material Handling	18,000	No. of order executed

Output and relevant data are:

Product	Output Units	No. of Order	Machine Hours	Production runs	No. of Order Executed
A	1,000	40	15,000	3	200
B	1,500	60	10,000	5	400

Required to prepare statement of allocation of overhead under Activity Based Costing system.

OR

Q.1.

A. Discuss theory of constraints in detail. **(08)** CO1

B. A manufacturing unit manufactures LED bulbs. Due to poor quality report the current rejection rate is 5% of units input. 20,000 units of input goes into the process each day. Each unit that is rejected result in Rs. 250 loss to the company. If changes are made in the inspection process, rejection rate will be reduced to 3% of units input. The improved inspection system would cost the company Rs. 35,000 each day. **(07)** CO1

Analyse the proposal and suggest whether it's beneficial for the company to implement. Also analyse the maximum rejection rate beyond which the proposal will not be beneficial.

Q.2.	ABC Co furnishes you the following income information:	(15)	CO2

	2022	
	First Half Year ₹	Second Half Year ₹
Total Cost	8,00,000	14,00,000
Profit Earned	2,00,000	6,00,000

From the above, you are asked to compute the following assumption that the fixed cost remains the same in both periods.

1) Profit Volume Ratio 2) Fixed Cost 3) Break-even Point

4) Amount of Profit or loss when sales are ₹ 45,00,000

5) Amount of Sales required to earn a profit of ₹ 7,50,000

OR

Q.2.	Two plants are manufacturing the same products under one corporate management which has decided to merge them. The following particulars are available.	(15)	CO3

Particulars	Plant I (Rs.)	Plant II (Rs.)
Capacity Operation	100%	60%
Sales	6,00,000	2,40,000
Variable cost	4,40,000	1,80,000
Fixed Cost	80,000	50,000

Calculate:

i. Break-even point of merged plant.

ii. Capacity of merged plant to be operated at break-even point.

iii. profit earned if the merged plant is operated at capacity level of 80%

Q.3.	The details are available from the records of Mangal Ltd. engaged in Manufacturing Article 'A' for the month ended 31-12-2024. The Standard data and Actual data are as follows:	(15)	CO4

	Standard (10 Units)		Actual (1,000 Units)	
Material	Quantity 12 Kg.	Rate Per Kg. ₹ 5.00	Quantity 1,250 Kg.	Rate Per Kg. ₹ 4.50
Labour	Hours 9	Rate Per Kg. ₹7.50	Hours 875	Rate Per Hr. ₹10.00

Calculate:

(a) Material Cost Variance

(b) Material Price Variance

(c) Material Usage Variance

(d) Labour Rate Variance

(e) Labour Efficiency Variance

(f) Labour Cost Variance

OR

Q.3.	Deep Construction Limited gives you the following information:	(15)	CO4

	Standard		Actual	
	Quantity (Tonnes)	Rate per Tonnes (₹)	Quantity (Tonnes)	Rate per Tonnes (₹)
Material:				
A	1,500	500	1,700	550
B	1,200	400	1,150	350
C	500	2,000	600	1,950
Labour:	Hours	Hourly Rate	Hours	Hourly Rate
L_1	30,000	15	28,000	18
L_2	20,000	30	19,000	35

	Calculate the following Variances: (a) Material Cost Variance (b) Material Price Variance (c) Material Usage Variance (d) Labour Cost Variance (e) Labour Rate Variance (f) Labour Efficiency Variance		
Q.4.	**Answer the following:**	**(15)**	
(a)	Explain the concept of Uniform Costing.	(03)	CO5
(b)	Fixed Cost ₹6000 Profit ₹1500 Break Even Point ₹30,000 Calculate Sales and Variable Cost.	(03)	CO2
(c)	Calculate Labour Efficiency Variance from the following: <table><tr><td></td><td>Standard</td><td>Actual</td></tr><tr><td>Hours</td><td>15 hours</td><td>18 hours</td></tr><tr><td>Rate</td><td>₹6.5</td><td>₹5.5</td></tr></table>	(03)	CO4
(d)	A Company manufactures two products AXE and YEE. The contribution per unit is ₹ 60 and ₹ 45 respectively. Product AXE requires 10 hours per unit and Product YEE 6 hours per unit. If time is the limiting factor. Find the most profitable product.	(03)	CO3
(e)	List six C's of Total Quality Management.	(03)	CO1

SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (Nov 2023 – March 2024) Examination: End Semester Examination April 24 (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	
Course Code: 131U03V602	**Name of the Course:** Security Analysis and Portfolio Management	
Duration : 2 Hrs.	**Maximum Marks :** 60	
Instructions: 1) Use of Simple Calculator is allowed		

Q. No.		Max. Mark	CO
Q.1	A) Explain the Term Investment, Speculation and Gambling and state the differences between them. **(8 Marks)**	(15)	01
	B) Explain the meaning of Portfolio Management. State the importance of Portfolio Management. **(7 Marks)**		01
	OR		
	C) Mr. Om, a fund manager, produced the following returns for the last 5 years. Rates of return are also given for comparison.		02

	2018	2019	2020	2021	2022
Mr. Om	8%	40%	(-) 12%	7%	15%
Sensex	15%	32%	(-)5%	18%	5%

Calculate the average return and standard deviation of Mr. Om's Mutual Fund. Did he do better or worse than sensed by these measures?

D) Following are the details of investments in shares by Mr. Adil as on 1.4.22 (CO 02)

Company	No of Shares	Purchase Price	Sales Price	Bonus Issue	Dividend Per Share p.a.
Titan Ltd	100	150	350	--	Rs. 3
Nestle Ltd	150	200	280	--	Rs. 4.50
Larsen Ltd	200	80	100	2:1	Rs. 1.50

He sold all his holdings on 31.03.2024. Brokerage paid on purchase is 1% and on Sales is 2%. The rate of dividend remain unchanged during the holding period.

Find out Holding period returns and Annualized Returns of Mr. Adil.

Q. No.		Max. Mark	CO
Q.2	A) What are the various technical indications used in technical analysis? **(8 Marks)**	(15)	03

	B) Explain the term Efficient Market Hypothesis? What are the various forms of Efficient Market Hypothesis. **(7 Marks)**		03
	OR		
	C) Returns of Dev Ltd were 11%, 13%, 12% and 10% in the past four years. Returns of Anand Ltd were 12%, 14%, 9% and 10% in the last four years. While average market returns were 12%, 14%, 14% and 13% in the last four years. Return on Government Securities are 8%. Calculate beta and expected return of Dev Ltd and Anand Ltd. Apply Capital Asset Pricing Model Method. **(8 Marks)**		03
	D) Closing values of the shares of Pidilite ltd from 1st August to 14th august are given below : **(7 Marks)**		03

Date	Day	Closing Price	Date	Day	Closing Price
01/08/23	Monday	801.50	08/08/23	Monday	818.00
02/08/23	Tuesday	820.00	09/08/23	Tuesday	810.50
03/08/23	Wednesday	811.80	10/08/23	Wednesday	830.00
04/08/23	Thursday	810.00	11/08/23	Thursday	835.50
05/08/23	Friday	825.00	12/08/23	Friday	838.00
06/08/23	Saturday	No Trading	13/08/23	Saturday	No Trading
07/08/23	Sunday	No Trading	14/08/23	Sunday	No Trading

Calculate Exponential Moving Average (EMA) of Nifty during the above period. The 30 days simple moving average of Pidilite may be assumed as 810. Give detailed analysis on the basis of your calculations.

Q.3	A) Explain the term systematic and unsystematic risk? Explain different types of related risk. **(8 Marks)**	(15)	04
	B) Explain Markowitz Model with diagram. **(7 Marks)**		04
	OR		
	C) Following are the details of three portfolio: **(8 Marks)**		04

Portfolio	Average Return	Standard Deviation	Beta
X	13%	0.25	1.25
Y	12%	0.25	0.75
Z	11%	0.20	1.00
Market Index	11%	0.25	1.10

The risk-free rate is 8%. You are required to compare thse portfolio on performance using Sharp'se and Treynor's measures and do the ranking accordingly.

	D) Mr. Akshit provides you following information of his portfolio: **(7 Marks)**		04

Security	*Amount Invested*	*Returns*	*Standard Deviation*
Shares of TCS	1,40,000	18%	11%
Shares of ECS	60,000	14%	10%
	2,00,000		

Advise him about the portfolio risk and return.

Q.4 **Attempt the following: (3 X 5 Marks)** **(15)**

a) The company sold 1,00,000 units @ Rs. 10 each during the year. Variable expenses are 40% and tax rate is 30%. 8% Debenture Capital of the company is 5,00,000 and fixed cost is 2,00,000. **02**

Find out Operating Leverage, Financial Leverage and Combine Leverage.

b) Meghna Ltd paid a dividend of Rs. 1.80 per share. The forecast is that dividends will grow 8% per annum into the infinite future. If the required rate of return is 10% and the current market price of the company stock is 60. Find out the intrinsic value of the company's share. Is it worth investing in the company. **04**

c) Mr. Tanmay is considering investment in one of the following bonds: **03**

Bond	*Coupon Rate*	*Maturity*	*Price/100 par value*
Bond A	11%	10 years	Rs. 75
Bond B	12%	7 year	Rs. 68

Recommend which bond should be purchased.