



# SOMAIYA

## VIDYAVIHAR UNIVERSITY

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

### QUESTION PAPERS

BRANCH: Bachelor of Commerce (Hons.)	SEM: V
	OCT-2022

Sr. No.	Subject	Available
1.	131U01C101 – Direct Tax (A)	
2.	131U01E102 – E Commerce Management	
3.	131U01E102 – International Finance	
4.	131U01C102 – Cost Accounting	
5.	Financial A/C -V (A)	
6.	131U01C101 - Direct Tax (B)	
7.	Financial A/C V (B)	
8.		
9.		
10.		
11.		
12.		
13.		
14.		



LIBRARY





**SOMAIYA**  
VIDYAVIHAR UNIVERSITY



Semester (June 2022 to October 2022)			
Examination: End Semester Examination October 2022 (UG Programmes)			
Programme code:01		Class:TYB.C	Semester: V
Programme: B.COM HONS		OM HONS	
Name of the Constituent College: S.K. Somaiya College		Name of the Department: Commerce & Business Studies	
Course Code: 131U01C101	Name of the Course: DIRECT TAX		
Duration : 2 Hrs.	Maximum Marks : 60		
Instructions: 1)Figures to the right indicates the full Marks .			
2) use of simple calculator is allowed.			

Question No.		Max. Mark																																																												
Q.1	<p>(A) Mr. Vijay, Proprietor of V and Co furnishes you the following information for the year ended 31-03-2022.</p> <p style="text-align: center;"><b>Profit and Loss Account for the year ended 31st March, 2022</b></p> <table><tr><th>Debit</th><th>Rs.</th><th>Credit</th><th>Rs.</th></tr><tr><td>To Salaries</td><td>1,80,000</td><td>By Gross Profit</td><td>8,90,000</td></tr><tr><td>To Conveyance</td><td>30,000</td><td>By Interest Received</td><td>9,000</td></tr><tr><td>To Interest on Loan</td><td>11,000</td><td>By Gift from Father</td><td>51,000</td></tr><tr><td>To Interest on Proprietor's Capital</td><td>19,000</td><td>By Dividend from co-operative Bank</td><td>10,000</td></tr><tr><td>To Repairs and Maintenance</td><td>18,000</td><td></td><td></td></tr><tr><td>To Wealth Tax</td><td>12,000</td><td></td><td></td></tr><tr><td>To Penalty on Wealth Tax</td><td>3,000</td><td></td><td></td></tr><tr><td>To Travelling Expenses</td><td>27,000</td><td></td><td></td></tr><tr><td>To Depreciation</td><td>35,000</td><td></td><td></td></tr><tr><td>To Life Insurance Premium</td><td>55,000</td><td></td><td></td></tr><tr><td>To Staff Welfare</td><td>40,000</td><td></td><td></td></tr><tr><td>To Advertisement</td><td>10,000</td><td></td><td></td></tr><tr><td>To Net Profit</td><td>5,20,000</td><td></td><td></td></tr><tr><td><b>Total</b></td><td><b><u>9,60,000</u></b></td><td><b>Total</b></td><td><b><u>9,60,000</u></b></td></tr></table> <p><b>Additional Information :</b></p> <p>a) Depreciation as per Income Tax Rules 40,000/-.</p> <p>b) Travelling Expenses include expenses for his personal travelling 8,000/-.</p> <p>c) He paid Mediclaim insurance premium for his wife by cheque 15,000/- and 15,000 for his parents.</p> <p>You are required to compute his taxable income and tax liability for assessment year 2022-23.</p>	Debit	Rs.	Credit	Rs.	To Salaries	1,80,000	By Gross Profit	8,90,000	To Conveyance	30,000	By Interest Received	9,000	To Interest on Loan	11,000	By Gift from Father	51,000	To Interest on Proprietor's Capital	19,000	By Dividend from co-operative Bank	10,000	To Repairs and Maintenance	18,000			To Wealth Tax	12,000			To Penalty on Wealth Tax	3,000			To Travelling Expenses	27,000			To Depreciation	35,000			To Life Insurance Premium	55,000			To Staff Welfare	40,000			To Advertisement	10,000			To Net Profit	5,20,000			<b>Total</b>	<b><u>9,60,000</u></b>	<b>Total</b>	<b><u>9,60,000</u></b>	(15)
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**OR**

(15)

(B) Mr. Satish purchased a house property for ₹10,00,000 on 27th August 1998. He made the following additions/alternations to the House property:-

Cost of construction of 1st floor in Financial Year 2002-03 ₹ 5,00,000

Cost of construction of 2nd floor in Financial Year 2009-10 ₹ 8,00,000

Fair market value of the property on 1-04-2001 was ₹15,00,000. He sold the property on 20th October 2021 for ₹95,00,000. He paid brokerage of ₹55,000 for the sale transaction. The cost inflation index for Financial year 2001-02 is 100, for Financial Year 2002-03 is 105. For financial year 2009-10 is 148 and for financial Year, F.Y. 2021-22 is 317. Compute the Capital gain of Mr. Satish for the Assessment Year 2022-23. (08)

(C) Discuss any seven fully exempted incomes us 10. (07)

Q. 2

(A) Mrs. Gayatri Soman owns two houses in Mumbai. The particulars of her Income from properties for the year ended 31st March 2022 is as follows. (15)

Sr. no.	particulars	House Property I	House Property II
1.	Nature of occupancy	Self-occupied	Let out
2.	Fair rent	Rs. 4,00,000	Rs. 6,00,000
3.	Municipal valuation	Rs. 4,20,000	Rs. 6,10,000
4.	Rent received	NIL	Rs. 6,50,000
5.	Municipal taxes paid	Rs. 30,000	Rs. 40,000
6.	Rent collection charges	----	Rs. 8,000
7.	Land Revenue payable	Rs. 2,000	Rs. 3,000
8.	Interest paid on loan taken for construction of house property	Rs. 2,60,000	Rs. 1,50,000
9.	Date on which loan taken	26-11-2015	22-10-2014
10.	Repayment of principal amount of loan	Rs. 30,000	NIL.

Mrs. Gayatri Soman also received the following other income:

A. Dividend from Mafatlal Industries Rs. 10,000

B. Interest on fixed deposits with Bank of India Rs. 20,000/-

C. Mrs. Gayatri paid Medical Insurance premium of Rs. 28,000 for self by cheque.

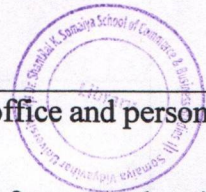
Compute her Net Taxable Income and tax liability for the Assessment Year 2022-23.

**OR**

(B) The following particulars are furnished by Mr. Nihar employed with reliance Ltd. for the year ended 31<sup>st</sup> March 2022. (15)

1. Basic salary Rs. 12,500 Per month
2. Bonus was declared equal to one month salary
3. Arrears of salary Received Rs. 1,16,000
4. Entertainment Allowance Rs. 500 per month
5. Professional tax deducted Rs. 2400.
6. House Rent allowance Rs. 1500 Per month ( Rs. 800 p.m. is exempt)





	<p>7. Perquisite value of car provided by employer was Rs. 13,000 for office and personal use.</p> <p>8. He received royalty from writing a book Rs.. 30,000. Expenses for manual script was Rs.. 12000.</p> <p>9. LIC premium paid for self was Rs.27000.</p> <p>10. Mediclaim insurance paid for self by cheque was Rs. 28000.</p> <p>11. Hire charges received from a machine given on Rent Rs. 55,000. Depreciation of Machinery is Rs. 10,000 and collection charges were Rs. 2,000.</p> <p><b>Compute his taxable income and tax liability for the assessment year 2022-23.</b></p>																	
Q. 3	<p>(A) Professor Shantanu a citizen of U.K. (a person of Indian origin) came on a visit in Pune university came to India on 1<sup>st</sup> July 2021 and left India on 10<sup>th</sup> January 2022. He provides you the following details of his visit to India during the preceding 7 years.</p> <table><tr><th>Year</th><th>No. of Days stay in India</th></tr><tr><td>2020-21</td><td>160</td></tr><tr><td>2019-20</td><td>110</td></tr><tr><td>2018-19</td><td>100</td></tr><tr><td>2017-18</td><td>15</td></tr><tr><td>2016-17</td><td>185</td></tr><tr><td>2015-16</td><td>105</td></tr><tr><td>2014-15</td><td>190</td></tr></table> <p>Prior to April 2014-15 he did not visit India. Determine his residential status for the A.Y. 2022-23. (08)</p> <p>(B) Miss Sweta furnishes you the following particulars of her income earned during the previous year 2021-22 :-</p> <ol style="list-style-type: none"><li>1. Income from property in Rome received in India Rs.100000.</li><li>2. Dividends from shares from foreign company: - - received Abroad Rs.20000. - Received in India Rs.35000.</li><li>3. Profits from business in Mumbai &amp; managed from USA Rs.40000.</li><li>4. Income from house property in India Rs.55000.</li><li>5. Interest on Bank accounts in London Rs.67000.</li><li>6. Income earned in past but brought in India during the year Rs. 78000.</li></ol> <p>Find out her Gross Total Income if she is:-</p> <ol style="list-style-type: none"><li>a). Resident and ordinary resident</li><li>b). Resident but not ordinary resident</li><li>c). Non Resident</li></ol> <p style="text-align: right;">(07)</p> <p style="text-align: center;">OR</p> <p>(C) Explain the deduction available u/s 16 from the Head Income from Salary. (07)</p> <p>(D) Discuss the deduction available u/s 80 DD and 80 TTA available from Gross taxable Income. (08)</p>	Year	No. of Days stay in India	2020-21	160	2019-20	110	2018-19	100	2017-18	15	2016-17	185	2015-16	105	2014-15	190	(15)
Year	No. of Days stay in India																	
2020-21	160																	
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2018-19	100																	
2017-18	15																	
2016-17	185																	
2015-16	105																	
2014-15	190																	
Q.4	<p>(A) State whether the following statement is TRUE or FALSE. (08)</p> <ol style="list-style-type: none"><li>1. There are 5 heads of income under income tax act, 1961.</li><li>2. Municipal tax paid by tenant is allowed as deduction for the let out property.</li><li>3. In case of short term capital assets indexation is applicable.</li></ol>	(15)																



4. Interest payment for housing loan can be deduction under section 80C.
5. Up to Rs. 3,00,000 is Exempted for senior citizen for calculation of tax liability.
6. Standard deduction u/s 16 (i) is lower of Rs.50,000 or Gross Taxable Salary.
7. Income from subletting shall be chargeable to tax under the head income from house property.
8. Gift received on occasion of marriage is always taxable as income.

(A) Match the Column :

(07)

Column I	Column II
1. Local Authority	a) Anil Ambani
2. Gratuity to Govt. Employee	b) Rs. 125000
3. Maximum Limit for 80 C	c) Basic Exemption from tax liability for senior citizen
4. Individual	d) 80TTA
5. Severe Handicapped Individual deduction	e) Rs. 150000
6. Upto Rs. 3,00,000	f) Jaipur Municipal Corporation
7. Deduction for Interest on Saving Bank A/C	g) Exempted





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VIDYAVIHAR UNIVERSITY



**October 2022**

**Examination: Semester Examination (UG Programmes)**

Programme code: 01		Class: TY	Semester: V
Programme: 131U01E102			
Name of the Constituent College: SKSC		Name of the Department: Commerce (Hons)	
Course Code:	Name of the Course: E-commerce Management		
Duration : 2 Hrs	Maximum Marks : 60		
Instructions: 1)Draw neat diagrams 2)Q.3 & Q.4 are compulsory			

Question No.		Max Marks
Q1	Attempt ANY ONE	15m
A)	Describe in brief the scope of E commerce and provide inputs on Traditional retailing and e retailing.	10m
B)	Explain Rural commerce	5m
	OR	
C)	Differentiate between the Benefits and limitations of E-Commerce.	10m
D)	Highlight on E-retailing	5m
Q2	Attempt ANY ONE	
A)	List in detail all the different modes of electronic payment systems used in any E-commerce websites.	10m
B)	Short note on challenges faced in Quick commerce model of business	5m
	OR	
C)	i) Discuss the functioning of the top websites and applications in e-commerce. ii) Enumerate its operations and business model of the functioning. Existing e-commerce sites must be considered as examples and explained in detail (like Flipkart)	15m
Q3	A) Case study	15m
	E-commerce transactions in India are gaining high popularity at a very fast pace majorly because of its attributes of ease of shopping, good discounts, social media interaction, cash backs, cash on delivery mode of payment, etc. The industry is all set to grow and break the records considering the recent show of success of many E-commerce companies Inc. in their capability to raise their funds. Flipkart – India's leading e-commerce Company headquartered at	



Bangalore, Karnataka.

The overall value of the company is good, but it is facing tough competition from its global as well as local competitors. But in India, it is the most superior E- business portal which is aggressively expanding and planting its roots deep into the Indian markets and at the same time shifting the mindset of the people i.e from going and shopping from physical stores to online stores, which is enormous.

1) Discuss the Initial challenges faced by Flipkart.

5m

2) How Flipkart succeeded in building the trust of online customers?

5m

3) How can social media be used to increase the market share of the brand?

5m

Q4 A) Fill in the blanks

5m

1) -----segment is related to OLX

a) Q-Commerce      b) B2B      c) C2C

2) -----option perfectly describes e-commerce

a) Doing business electronically      c) Doing business  
b) Sale of Goods

3) ZEPTO is an example of -----

a) C2C      b) Q-commerce      c) B2B

4) Cyber laws in India are contained in the -----

a) Companies Act 1956      b) IT Act 2000      c) Factories Act 1948

5) -----helps in building long term relationships for any sustainable business

a) E-trading      b) EDI      c) CRM

B) Match the column

5m

Column A	Column B
1) C2C	A) Recommendations from existing customers
2) E-Entertainment	B) sale reminders, holiday special
3) Referrals	C) CARS 24
4) E-mail marketing	D) Book my show
5) E-wallets	E) online prepaid account

C) State whether True or False

5m

1) Electronic methodology is trending in Education, Banks, Insurance, etc.

2) EDI is a user-friendly method

3) Customers pay a fixed amount, monthly or quarterly or annually, to get some type of digital service is termed as Subscriptions

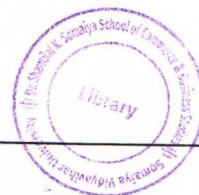
4) E-commerce laws entails E-signature

5) Privacy is not an important issue on the web





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VIDYAVIHAR UNIVERSITY



**Semester: OCT. 2022**

**Examination: ESE Examination (UG Program)**

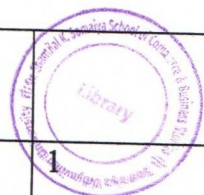
<b>Programme code: 01</b>		<b>Class: TY</b>	<b>Semester: V</b> <b>(SVU 2022)</b>
<b>Programme: B.Com (hons.)</b>			
<b>Name of the Constituent College:</b> <b>S. K. Somaiya College (SKSC)</b>		<b>Name of the</b> <b>department/Section/Center:</b> <b>Commerce</b>	
<b>Course Code: 131U01E102</b>		<b>Name of the Course: International Finance</b>	
<b>Instructions: 1) All questions are compulsory 2) Figures to the right indicates full marks</b>			

<b>Q. No. 1</b>	What is foreign exchange market and elaborate on the difference between fixed exchange rate system and flexible exchange rate system	<b>15</b>
	<b>OR</b>	
<b>B</b>	List the advantages of the gold standard exchange rate regime	<b>07</b>
<b>C.</b>	Elaborate on the Bretton Woods system of exchange rate	<b>08</b>
<b>Q. No. 2</b>		
<b>A.</b>	Explain BOP and its importance	<b>08</b>
<b>B.</b>	Enlist the factors affecting exchange rate with suitable examples	<b>07</b>
	<b>OR</b>	
<b>C.</b>	Discuss the different types of foreign exchange risk and the measures to reduce the losses	<b>15</b>
<b>Q. No. 3</b>		
<b>A.</b>	Mr. Rohan is looking at USD/CAD 18.4545, according to him interest rate in Canada is 5% p.a and USA is 3.5% p.a. He anticipates the exchange rate will change proportionately with the inflation to be around 19.0085 at the end of 3 months. Calculate interest arbitrage possibility for him and give your suggestions.	<b>15</b>
	<b>OR</b>	
<b>B</b>	Mr. Rohan is looking at USD/AUD 7.4545/90. From the information calculate spread, spread percentage, mid rate, identify base currency, variable currency, bid rate and ask rate. Also if Bank of India offers USD/CAD 7.3545/80 calculate 2 currency arbitrage possibility.	<b>15</b>
<b>Q4</b>	Select appropriate option from the given below options (MCQ)	<b>15 marks</b>
<b>1</b>	Gifts or grants received from outside the country get recorded under _____ of the _____ account. a. Credit side, capital b. Debit side, capital c. Debit side, current d. Credit side, current	<b>1</b>
<b>2</b>	Balance of Payments is an accounting statement that records monetary transactions between _____. a. Residents of a nation and the rest of the world b. Non-residents and the rest of the world	<b>1</b>



	<p>c. Residents of a nation and non-residents</p> <p>d. None of the above</p>	
3	<p>The Balance of Payment account records the inflow of foreign exchange on the _____.</p> <p>a. Debit side</p> <p>b. Credit side</p> <p>c. Both a and b</p> <p>d. None of the above</p>	1
4	<p>The Capital account of the Balance of Payments includes transactions like _____.</p> <p>a. Changes in foreign exchange reserves</p> <p>b. Investments to and from abroad</p> <p>c. Borrowings and lendings to and from abroad</p> <p>d. All of the above</p>	1
5	<p>Exchange Rate refers to the rate at which the following is exchanged.</p> <p>a) Goods</p> <p>b) Services</p> <p>c) Currencies</p> <p>d) All the above</p>	1
6	<p>Floating Exchange Rates is determined by:</p> <p>a) Mutual consultations between countries</p> <p>b) Banking systems</p> <p>c) Market Forces</p> <p>d) None of the above</p>	1
7	<p>When exchange rate in terms of domestic currency rises:-</p> <p>a) Exports become cheaper</p> <p>b) Imports become cheaper</p> <p>c) Exports become costlier</p> <p>d) NO effect on imports</p>	1
8	<p>The components of a Balance of Payment account are _____.</p> <p>a. Capital Account</p> <p>b. Current Account</p> <p>c. Both a and b</p> <p>d. None of the above</p>	1
9	<p>Price of one currency in relation to other currencies in the international exchange market is known as:-</p> <p>a) Equilibrium rate</p> <p>b) fixed exchange rate</p> <p>c) exchange rate</p> <p>d) flexible exchange rate</p>	1
10	<p>The exchange rate at which demand for foreign currency becomes equal to its supply, is called</p> <p>a) Equal rate of exchange</p> <p>b) Mint Parity</p> <p>c) Equilibrium exchange rate</p>	1





	d) all of these	
11	Demand for foreign currency depends upon:- a) repayment of international loans b) investment in rest of the world c) direct foreign investment in the domestic economy d) both a) and b)	1
12	A Change from ₹ 140 = 2 \$ to ₹ 60 = 1\$ indicates that ₹ is:- a) Appreciating b) Depreciating c) Neither a) nor b) d) Either a) or b)	1
13	Depreciation of domestic currency leads to rise in: a) Exports b) Imports c) Both a) and b) d) Neither a) nor b)	1
14	Explain the term - arbitrage	1
15	Explain the term - speculation	1





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<b>Semester (June 2022 to October 2022)</b>		
<b>Examination: End Semester Examination October 2022 (UG Programmes)</b>		
<b>Programme code: 01</b>	<b>Class: TY</b>	<b>Semester: V</b>
<b>Programme: TYBCOM (Hons)</b>		
<b>Name of the Constituent College: S.K.Somaiya college</b>		<b>Name of the Department Commerce</b>
<b>Course Code: 131u01c102</b>	<b>Name of the Course: Cost Accounting</b>	
<b>Duration : 2 Hrs.</b>	<b>Maximum Marks : 60</b>	
<b>Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary 3)</b>		

Question No.					Max. Marks																																																				
Q.1(A)	1) Following is the profit and loss A/c for the year ended 31 <sup>st</sup> March, 2014 of M/s Cool and comfort limited selling fans. They produced and sold 1,000 Fans for the current year.				15																																																				
<p style="text-align: center;"><b>Profit and loss account for the year ended 31<sup>st</sup> March, 2014</b></p>																																																									
<table><tr><th>Particulars</th><th>₹</th><th>Particulars</th><th>₹</th></tr><tr><td>To op stock of Raw materials</td><td>20,000</td><td>By sales</td><td>6,00,000</td></tr><tr><td>To Materials</td><td>1,10,000</td><td>By Closing stock (Raw materials)</td><td>10,000</td></tr><tr><td>To wages</td><td>1,80,000</td><td></td><td></td></tr><tr><td>To Manufacturing Exp</td><td>75,000</td><td></td><td></td></tr><tr><td>To Gross Profit c/d</td><td>2,25,000</td><td></td><td></td></tr><tr><td></td><td><b>6,00,000</b></td><td></td><td><b>6,00,000</b></td></tr><tr><td>To Rent, Rate and Taxes</td><td>15,000</td><td>By Gross Profit b/d</td><td>2,25,000</td></tr><tr><td>To General Exp</td><td>30,000</td><td></td><td></td></tr><tr><td>To Management Exp</td><td>90,000</td><td></td><td></td></tr><tr><td>To Sales and Distribution Exp</td><td>45,000</td><td></td><td></td></tr><tr><td>To Net Profit</td><td>45,000</td><td></td><td></td></tr><tr><td></td><td><b>1,43,500</b></td><td></td><td><b>1,43,500</b></td></tr></table>						Particulars	₹	Particulars	₹	To op stock of Raw materials	20,000	By sales	6,00,000	To Materials	1,10,000	By Closing stock (Raw materials)	10,000	To wages	1,80,000			To Manufacturing Exp	75,000			To Gross Profit c/d	2,25,000				<b>6,00,000</b>		<b>6,00,000</b>	To Rent, Rate and Taxes	15,000	By Gross Profit b/d	2,25,000	To General Exp	30,000			To Management Exp	90,000			To Sales and Distribution Exp	45,000			To Net Profit	45,000				<b>1,43,500</b>		<b>1,43,500</b>
Particulars	₹	Particulars	₹																																																						
To op stock of Raw materials	20,000	By sales	6,00,000																																																						
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	<b>1,43,500</b>		<b>1,43,500</b>																																																						
Estimates for the next year 2015 are as under.																																																									
1) Production and sales will increase by 2000 units																																																									
2) Prices of materials per fan will increase by 20%																																																									
3) Labour cost per fan would go up by 10%																																																									
4) The manufacturing expense will remain in the same proportion as materials consumed of previous year.																																																									
5) The selling and distribution Expense will rise by 30%																																																									
6) The other expenses will remain unaffected																																																									
7) Prepare cost sheet for the year 2013-2014 and 2014 - 2015 with cost and profit per fan along with total cost and total profit.																																																									
OR																																																									



**Q. 1 (B)** From the following particulars you are required to prepare statement showing total cost. **7**

Particulars	Rs.
Opening stock Raw materials	61,700
Purchase of Raw materials	2,86,500
Direct wages	3,57,000
Factory Expense	1,99,500
Management Expense	70,000
Selling Expense	1,10,000
Sales	12,50,000
Closing stock Direct Materials	75,400
Sale of scrap	1,350
Carriage on direct materials.	5,950

Also state to what percentage is manufacturing cost to total cost and management cost to total cost.

**Q. 1 (C)** A Factory produced Bats and following information of production for 3 Weeks is given. **8**

Weeks	Units produced	Direct material	Direct Labour	Factory overheads (Semi Variable)
First	800	3200	1200	5600
Second	1000	4000	1500	6400
Third	1600	6400	2400	8800

Company has received an order for 2400 bats. Find out price per unit and total cost if company wants to earn profit of 25% on sale.

**Q.2 (A)** Ram Ltd. is a manufacturing company having three production departments, 'P' 'Q' and 'R' and two service departments 'M' and 'N' . The following is the budget for December 2021: **15**

	Total (₹)	P (₹)	Q (₹)	R (₹)	M (₹)	N (₹)
Direct material		2,00,000	4,00,000	8,00,000	4,00,000	2,00,000
Direct wages		10,00,000	4,00,000	16,00,000	2,00,000	4,00,000
Factory rent	8,00,000					
Power	5,00,000					
Depreciation	2,00,000					
Other	18,00,000					





overheads	0					
Additional information:						
Area (Sq.ft.)	1000	500	1000	500	1000	
Capital value of assets (₹ lakh)	40	80	40	20	20	
Machine hours	2,000	4,000	8,000	2,000	2,000	
Horse power of machines	100	80	40	30	50	

A technical assessment of the opportunities of expenses of service departments is as under:

	P	Q	R	M	N
Service Dept. 'M' (%)	40	20	20	-	20
Service Dept. 'N' (%)	50	30	-	20	-

Required:

(i) Prepare a statement showing allocation of overhead on Labour hour basis and Machine hour basis.

	P	Q	R
Labour Horus	500	200	300
Machine hours	200	150	150

(ii) PREPARE a statement showing distribution of overheads to various departments.

(iii) PREPARE a statement showing re-distribution of service departments expenses to production departments by repeated distribution method.

OR



**Q.2 (B)**

Atlas Engineering Ltd. accepts a variety of jobs which require both manual and machine operations.

**8**

The budgeted Profit and Loss Account for the period 2014-15 is as follows :

Particulars	Rs. In lacs.	
Sales		75
Cost:		
Direct materials	10	
Direct labour	5	
Prime Cost	15	
Production Overhead	30	
Production Cost	45	
Administrative, Selling and Distribution Overhead	<u>15</u>	60
Profit		<u>15</u>

Other budgeted data:	
Labour hours for the period	2500
Machine hours for the period	1500
No. of jobs for the period	300

You are required to calculate by different methods, 4 overhead absorption rates for absorption of production overhead and also cost per job.

**Q.2 (C)**

Compute the machine hour rate from the following data :

**7**

	₹
Cost of machine	1,00,000
Installation charges	10,000





Estimated scrap value after the expiry of its life (15 years)	5,000
Rent and rates for the shop per month	200
General lighting for the shop per month	300
Insurance premium for the machine per annum	960
Repairs and maintenance expenses per annum	1,000
Power consumption - 10 units per hour	-
Rate of power per 100 units	20
Estimated working hours per annum - 2,200 (This includes non-productive setting up time of 200 hrs)	-
Shop supervisor's salary per month	600

The machine occupies 1/4th of the total area of the shop. The supervisor is expected to devote 1/5th of his time for supervising the machine.

**Q.3 (A)**

PQR Tubes Ltd. are the manufacturer of picture tubes for T.V. The following are the details of their operations during the year.

7

Ordering cost	₹ 100 per order
Inventory carrying cost	20 % p.a.
Cost of tubes	₹ 500 per tube
Normal usage	₹ 100 tubes per week

Required (i) Economic order quantity, (il) If the supplier is willing to supply quarterly 1,500 units at a discount of 5%, Is it worth accepting?



**Q.3 (B)**

From the following particulars work out the earnings for the week of a worker under :

**8**

(a) Straight Piece Rate

(b) Differential Piece Rate

(c) Halsey Premium System

(d) Rowan System

Number of working hours per week - 48

Wages per hour - ₹ 15

Piece Rate per unit - ₹ 6

Normal time per piece - 20 Min (to be used for computing Standard Hours)

Normal output per week - 120 pieces (to be used for computing Standard Quantity)

Actual output for the week - 150 pieces

Differential piece rate - 80% of the piece rate when output is below standard and 120% above standard.

OR

**Q.3 (C)**

From the following particulars in respect of a certain material during 2018, you are required to draw up the stores ledger account under weighted average method:

**8**

April 2018:

1	Stock in hand	400 units @ ₹ 5
4	Purchased	800 units @ ₹ 6
7	Issued	600 units
12	Purchased	200 units @ ₹ 7
16	Returned to stores	100 units (which were issued





		out of opening stock)
18	Purchased	150 units @ ₹ 8
20	Purchased	400 units @ ₹ 8
23	Issues	70 Units
25	Issued	800 units
28	Returned to vendors	100 units out of purchases made on 20th April.

A shortage of 100 units was noticed and recorded on 26th April.

**Q.3 (D)**

A factory has a piece-work scheme for mass production of a certain component for a TV manufacturer. The standard production fixed for a day of 8 hours is 40 units. The piece work rate is 7 4 per piece. The details of remuneration payable to the workers are as follows:

NO	PRODUCTION
1	Upto 80% Efficiency
2	Above 80

Three workers Ram, Salim, Tom gave the following performance for May 2013:

Name of the worker	No. of days worked	Output(units)
RAM	20	480
SALIM	24	864
TOM	25	1100

Calculate their total earnings using Taylor and Merrick system.

Q. 4 (A)

10

- 1) Which method of absorption of factory overheads do you suggest in a concern which is capital intensive
  - a) Percentage to direct wages
  - b) Machine hour rate
  - c) Labour hour rate
  - d) A rate per unit of output.
- 2) When the amount of overhead absorbed is less than the amount of overhead incurred, it is called.
  - a) Under absorption
  - b) Improper absorption
  - c) Over absorption
  - d) Proper absorption
- 3) Number of workers employed is taken as basis for the apportionment of.
  - a) Power
  - b) Canteen Expense
  - c) Rent
  - d) Painting
- 4) What is prime cost.
  - a) Total direct cost only
  - b) Total non-production cost only
  - c) Total production cost only
  - d) Total production cost
- 5) Cost of goods manufactured will include opening and closing stock for.
  - a) Raw materials only
  - b) Finished goods only
  - c) Raw material and work in progress
  - d) Finished goods and Raw material
- 6) Prime cost + Factory over heads = \_\_\_\_\_
  - a) Cost of Sales
  - b) Cost of production
  - c) Works cost
  - d) Prime cost
- 7) when overtime is a normal process of business. overtime is charged to
  - a) Charge to profit and loss account
  - b) Recovered by inflating the wage rate
  - c) Factory Overhead
  - d) Ignore
- 8) Time wages are paid on the basis of \_\_\_\_\_
  - a) Actual time
  - b) standard time output in stock
  - c) Output in stock
  - d) Input received
- 9) Which of the following is considered to be a normal loss of material
  - a) Lost due to accidents
  - b) Lost due to careless handling of material





c) Lodge due to careless handling of material

d) Pilferage

10) freight and transportation cost incurred on acquiring raw materials are added in

a) Direct materials

c) Administration overheads

b) Factory overheads

d) Transportation charges

State true or false.

Q. 4 (B)

1) Reordering level is always fixed somewhere between maximum and minimum stock level.

2) Cost of sales = Factory cost + administration cost + selling and distribution cost.

3) Ideal time is the difference between the time clocked and time booked

4) Factory overhead includes all production cost other than direct materials and salaries.

5) A blanket overhead is a single overhead rate computed for the entire factory



October 2022

**Examination: Semester Examination (UG Programmes)**

Programme code: 01

Programme: BCOM [H]

Class: TY

Semester: V

Name of the Constituent College: S.K. SOMAIYA

Name of the Department:  
COMMERCE

Course Code:

Name of the Course: FINANCIAL A/C - V

Duration: 2 Hr.

Maximum Marks: 60

Instructions: 1) All question are compulsory. 2) Figures to the right indicates full marks.  
3) Use of simple calculator is allowed.

Q. No.							Max. Marks																																																											
Q.1.	A Ltd. Absorbed B Ltd. From 1 <sup>st</sup> April 2022 when their Balance Sheets were as under: BALANCE SHEET AS ON 31 <sup>ST</sup> March 2022						15																																																											
<table><tr><th>LIABILITIES</th><th>A LTD.</th><th>B LTD.</th><th>ASSETS</th><th>A LTD.</th><th>B LTD.</th></tr><tr><td>Equity Shares of ₹ 10 each</td><td>10,00,000</td><td>4,00,000</td><td>Building</td><td>4,40,000</td><td>2,80,000</td></tr><tr><td>11% Preference shares ₹100 each</td><td>4,00,000</td><td>4,00,000</td><td>Machinery</td><td>8,40,000</td><td>5,20,000</td></tr><tr><td>Revaluation Reserve</td><td>40,000</td><td>—</td><td>Stock</td><td>5,80,000</td><td>3,20,000</td></tr><tr><td>General Reserve</td><td>4,00,000</td><td>1,20,000</td><td>Debtors</td><td>2,40,000</td><td>2,80,000</td></tr><tr><td>Export Profit Reserves</td><td>80,000</td><td>40,000</td><td>Bills Receivable</td><td>2,60,000</td><td>1,80,000</td></tr><tr><td>15% Debentures</td><td>1,60,000</td><td>—</td><td>Bank</td><td>40,000</td><td>20,000</td></tr><tr><td>10% Debentures</td><td>—</td><td>2,40,000</td><td></td><td></td><td></td></tr><tr><td>Creditors</td><td>3,20,000</td><td>4,00,000</td><td></td><td></td><td></td></tr><tr><td></td><td>24,00,000</td><td>16,00,000</td><td></td><td>24,00,000</td><td>16,00,000</td></tr></table>							LIABILITIES	A LTD.	B LTD.	ASSETS	A LTD.	B LTD.	Equity Shares of ₹ 10 each	10,00,000	4,00,000	Building	4,40,000	2,80,000	11% Preference shares ₹100 each	4,00,000	4,00,000	Machinery	8,40,000	5,20,000	Revaluation Reserve	40,000	—	Stock	5,80,000	3,20,000	General Reserve	4,00,000	1,20,000	Debtors	2,40,000	2,80,000	Export Profit Reserves	80,000	40,000	Bills Receivable	2,60,000	1,80,000	15% Debentures	1,60,000	—	Bank	40,000	20,000	10% Debentures	—	2,40,000				Creditors	3,20,000	4,00,000					24,00,000	16,00,000		24,00,000	16,00,000
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<p><b>Terms of Absorption: -</b> A Ltd. Will issue 8 equity shares for every 5 shares in B Ltd. Of ₹10 at ₹11. 11% preference shareholders of B Ltd. Will be issued equal number of preference shares in A ltd. Of ₹100 at ₹105 per share. 10% Debenture holders of B Ltd. are discharged by A Ltd. by issuing equal number of its 15% Debentures of ₹100 each. All the assets &amp; liabilities of B Ltd. are taken over at book values except the following: - Building ₹3,00,000, Machinery ₹5,00,000, Stock ₹3,00,000, Debtors ₹2,60,000, Bills receivable 1,60,000, Creditors 3,80,000. Cost of absorption amounting to ₹10,000 was paid by A Ltd. You are required to: - Calculate Purchase Consideration Prepare necessary ledger accounts to close the books of B Ltd. Pass necessary Journal Entries in the books of A Ltd.</p>																																																																		
<p style="text-align: center;"><b>OR</b></p>																																																																		



Q.1.

Following are the Balance sheets of Moksh Ltd. & Prapti Ltd. As on 31<sup>st</sup> March 2022: -

15

## BALANCE SHEET

LIABILITIES	MOKSH	PRAPTI	ASSETS	MOKSH	PRAPTI
Equity Shares of ₹100 each	9,00,000	15,00,000			
9% Preference shares of ₹100	6,00,000	9,00,000	Goodwill	1,50,000	1,50,000
General reserve	75,000	90,000	Land & Building	6,00,000	7,50,000
Revaluation Reserves	45,000	60,000	Machinery	4,50,000	6,00,000
Export profit reserves	30,000	45,000	Computer	3,00,000	4,50,000
Profit & Loss A/c	15,000	30,000	Investments	1,50,000	1,50,000
12% Debentures of Rs.100 each	3,00,000	4,50,000	Stock	3,00,000	4,50,000
Unsecured Loans	1,50,000	75,000	Sundry Debtors	1,50,000	3,00,000
Creditors	2,25,000	1,80,000	Bills receivable	75,000	1,50,000
Bills Payable	30,000	45,000	Bank	1,95,000	3,75,000
	<b>23,70,000</b>	<b>33,75,000</b>		<b>23,70,000</b>	<b>33,75,000</b>

Deep Ltd. was formed to take over the business of Moksh Ltd. and Prapti Ltd. with an authorized share capital of Rs.30,00,000 consisting of 20,000, 13% preference shares of Rs.100 each and 1,00,000 equity shares of Rs.10 each.

Terms of Amalgamation:

(1) 9% Preference shareholders of both the companies are issued equal number of 13% preference shares of Deep Ltd. at a price of Rs.125 each.

(2) Deep Ltd. will issue four equity shares for three equity shares of Moksh Ltd. and four equity shares for five equity shares of Prapti Ltd. the share are to be issued at Rs.35 each.

(3) 12% Debentures holders of both the companies are discharged by Deep Ltd. by issuing such number of its 15% Debentures of Rs.100 each so as to maintain the same amount of interest.

(4) Deep Ltd. agree to take over all assets and all liabilities at book values except the following.

(i) Tangible fixed assets at 10% more than book value.

(ii) Investments and sundry debtor at 90% of their book values.

(5) Export profit Reserve are to be maintained for three more years.

You are required to :- Compute purchase consideration of Moksh & Prapti Ltd.

Pass necessary Journal Entries in the books of new co. & Prepare Balance sheet also Apply Purchase Method.

Q2

The balance sheet of Useless Ltd. as on 31<sup>st</sup> March, 2022 appeared as follows: -

15

Liability	Rs.	Assets	Rs.
Equity shares of Rs.10 each, fully paid	600,000	Goodwill	1,67,000
9% pref. shares of Rs.100 fully paid	2,00,000	Land & Building	3,00,000
11% Debentures	4,00,000	Plant & Machinery	2,15,000
Interest accrued on above Debentures	44,000	Investments	75,000



Unsecured Loans	2,60,000	Stock	2,10,000
Interest accrued on above Unsecured loans	30,000	Sundry Debtors	3,10,000
Current Liabilities	1,66,000	Bank	45,000
		Preliminary Expenses	25,000
		Profit & Loss A/c.	3,53,000
	17,00,000		17,00,000

A Scheme of reconstruction has been agreed amongst the shareholders and the creditors and approved by the court with the following salient features.

- Equity shares are to be reduced to Rs.3 each fully paid.
- 9% Preference shareholders have agreed to accept 12% Debentures of face value of Rs.1,20,000, issued at par, in full satisfaction of their claims.
- Interest due on unsecured loans is paid at 4% discount.
- Interest accrued on 11% debentures is paid at 50% Discount.
- 40% of current liabilities are to be reduced to 75% and Balance 60% to be reduced to 80%.
- 20% of stock is obsolete which is sold at 40% of book value.
- Goodwill, preliminary expenses and Debit Balance in the profit and Loss account is to be written off, Rs.33,000 should be provided for doubtful debts and the value of fixed assets should be appreciated by 10%.
- Cost of reconstruction paid Rs.16,820.

Pass Journal entries and redraft the balance sheet of the company assuming that above scheme of reconstruction has been implemented by the company.

OR

Q.2.

- Briefly explain deferred tax in IND AS – 12 [5 MARKS]
- X LTD. Purchased a Machinery costing ₹ 1,00,000, depreciation is charged @15% on straight line method basis in books. Depreciation is charged @20% p.a. on straight line method in Income Tax, Tax rate is 40%. Calculate deferred tax liability. [5 MARKS]
- Determine the Carrying amount & Tax base amount of the following transaction [5 marks]
  - Income of ₹8,000 received in advance, taxable on accrual basis.
  - Prepaid expenses of ₹23,500 deductible on actual payment basis.

15

The Balance Sheet of PRASHANT Ltd. as on 31-3-2022 is as follows:

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs.10 each	12,50,000	Fixed Assets	20,00,000
Securities Premium A/c	2,50,000	Investments	7,50,000
General Reserves	5,00,000	<b>Current Assets:-</b>	
Profit and Loss A/c	5,00,000	Bank Balance	7,50,000
10% Debentures	12,50,000	Other Current Assets	12,50,000
Current Liabilities	10,00,000		
	47,50,000		47,50,000

15

Keeping in view all the legal requirements ascertain: -

- Maximum number of Equity shares that company can Buy Back.
- The maximum purchase price it can offer.
- Pass necessary Journal Entries & prepare Balance Sheet after Buy Back.

OR



Q.3. Shri Amit is appointed liquidator of a company in liquidation on 1st July 2022 and the following balances are extracted from the books on that date.

15

LIABILITIES	₹	ASSETS	₹
Equity Shares of ₹ 10 each.	1,60,000	Plant & Machinery	60,000
Debentures	1,00,000	Leasehold Properties	80,000
Bank Overdraft	36,000	Stock	2,000
Liabilities For purchases	40,000	Debtors	1,20,000
Provision for Bad Debts	20,000	Investments	12,000
		Calls in Arrear	10,000
		Cash in hand	2,000
		Profit and Loss Account	70,000
	3,56,000		3,56,000

Prepare a statement of affairs with deficiency or surplus account to be submitted to the meeting of the creditors. The Machinery is valued at 1,20,000, the Leasehold Properties at 1,46,000, Investments at 8,000, Stock-in-trade at 4,000; bad debts are 4,000, doubtful debts are 8,000 estimated to realize 4,000. The Bank Overdraft is secured by deposit of title deeds of Leasehold Properties. Preferential creditors for taxes and wages are 2,000. Telephone rent owing is 160.

Q.4. Multiple Choice Question: -

A.

8

- The scheme of capital reduction is to be approved by \_\_\_\_\_.  
a. SEBI b. High Court c. shareholders d. Central Govt.
- Capital Redemption Reserve may be used for issuing \_\_\_\_\_ shares.  
a. Bonus b. Right c. Fresh d. Preference
- \_\_\_\_\_ is the amount of income taxes payable in respect of the taxable profit for a period.  
a. deferred tax liability b. Deferred tax asset c. current tax d. income tax
- List 'A' in statement of affairs gives the list of \_\_\_\_\_.  
a. Assets specifically pledged b. Assets not specifically pledged  
c. preferential creditors d. unsecured creditors
- \_\_\_\_\_ is the free reserve from the followings.  
a. P&L a/c b. CRR c. CR d. Shares Forfeited a/c.
- Deficiency or surplus A/C is prepared as per list \_\_\_\_\_.  
a. A b. B c. C d. H
- Balance in Capital Reduction should be transferred to \_\_\_\_\_ account.  
a. Profit & Loss b. General Reserve c. Securities Premium d. Capital Reserve
- Agreed value of tangible assets taken over is Rs.15,45,550 and liabilities taken over is Rs.45,550. goodwill is 10% of net Assets \_\_\_\_\_ will be the amount of purchase consideration.  
a. ₹15,50,000 b. ₹16,50,000 c. ₹ 15,00,000 d. ₹16,45,450

Q.4. B. State whether the following statements are True or False: -

7

- Board of Directors can directly decide up to 10% of buy back of the paid-up equity share capital.
- List 'E' in statement of affairs gives the list of unsecured creditors.
- The existing 1000 shares of ₹100 each altered to 10,000 shares of ₹10 each, it is called as consolidation in Internal Reconstruction.
- The amount of Income Taxes payable in future periods in respect of taxable temporary differences is deferred tax liability.
- AS - 14 deals with Amalgamation of Companies.
- Capital reduction requires court order.
- Under purchase method of amalgamation all the reserves of the vendor company are transfer in the books of the purchasing company.





**Examination: In Semester Examination (UG Programmes)**

Semester: V

## OM HONS

**Name of the Department:** Commerce & Business Studies

Name of the Course: DIRECT TAX

**Maximum Marks : 60**

**Instructions: 1) Figures to the right indicate full marks 2) Use simple calculator is allowed**

Question No.		Max. Marks																																				
Q.1	<p>(A) Professor Drone, who is physically handicapped (to the extent of 85%) is employee with Justice College of Commerce. He furnishes the following information for the previous year ended 31<sup>st</sup> March 2022 and request you to compute his total taxable income and tax liability for AY 2022-23</p> <p>Salary of Rs 40,500 p.m.            Arrears of salary Rs 12,000            Entertainment allowance Rs 1,000 p.m.            Bonus Received Rs. 15,000            Rent free house facility Rs 12,000            Leave salary received Rs 10,000 during the year            Professional Tax paid Rs 2,500            Examination fees from his college Rs 20,000            Fees for setting papers from Mumbai University Rs 4,000            Royalty for writing book on accountancy Rs 35,000. Expenses incurred for writing manuscripts, proof reading etc are Rs 4,000            He paid interest of Rs 34,000 to a Bank on Loan for higher education of his daughter.</p> <p style="text-align: center;"><b>OR</b></p> <p>(B) Mrs. Nivedita is a physically disable person (70% disability). She gives you the following information for Previous Year 2021-22.</p> <table border="1"> <thead> <tr> <th>Particulars of Owned Houses</th><th>House 1 (Self Occupied)</th><th>House 2 (Let out)</th></tr> </thead> <tbody> <tr> <td>Municipal Valuation (per month)</td><td>10,000</td><td>25,000</td></tr> <tr> <td>Rent received (per month)</td><td>Nil</td><td>27,000</td></tr> <tr> <td>(House No. 2 was vacant for two months)</td><td></td><td></td></tr> <tr> <td>Municipal Taxes</td><td></td><td></td></tr> <tr> <td>    Paid by Owner</td><td>12,000</td><td>Nil</td></tr> <tr> <td>    Paid by tenant</td><td>Nil</td><td>15,000</td></tr> <tr> <td>Other Expenses</td><td></td><td></td></tr> <tr> <td>    Repairs</td><td>6,500</td><td>Nil</td></tr> <tr> <td>Details of Borrowed Capital (Both loans taken on 1-4-2008)</td><td></td><td></td></tr> <tr> <td>    Interest paid during the year</td><td>1,20,000</td><td>1,14,000</td></tr> <tr> <td>    Principal repayment of housing loan</td><td>30,000</td><td>22,000</td></tr> </tbody> </table> <p><b>Other Information:</b>            Mrs. Nivedita also received the following other income:</p>	Particulars of Owned Houses	House 1 (Self Occupied)	House 2 (Let out)	Municipal Valuation (per month)	10,000	25,000	Rent received (per month)	Nil	27,000	(House No. 2 was vacant for two months)			Municipal Taxes			Paid by Owner	12,000	Nil	Paid by tenant	Nil	15,000	Other Expenses			Repairs	6,500	Nil	Details of Borrowed Capital (Both loans taken on 1-4-2008)			Interest paid during the year	1,20,000	1,14,000	Principal repayment of housing loan	30,000	22,000	(15)
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Principal repayment of housing loan	30,000	22,000																																				



1. Dividend from Voltas Industries Rs.20,000.
  2. Interest on NSC Rs. 30,000
  3. She paid Medical Insurance premium of Rs. 18,000 for self by cheque.
- Compute her Net Taxable Income and tax liability for the Assessment Year 2022-23.**

Q.2

(A) Mr. Mehra, an Indian citizen went to U.S.A for the first time for the purpose of employment on 9<sup>th</sup> May, 2021. He came back to India on 30<sup>th</sup> October, 2021. She was in India for 365 days above during preceding 4 years from 2016-17 to 2019-20. Find out his residential status for Assessment Year 2022-23.

(15)

(08)

(B) Mr. John had earned the following income during year ended 31-03-2022.

- 1) Salary earned & received in USA Rs 30,000
- 2) Interest on Debentures from Indian Company Rs 1,00,000
- 3) Interest received on Bonds of German company (30 % Received in India) Rs 1,20,000
- 4) Professional Fees Received in India Rs 2,00,000
- 5) Income from business in London controlled from Mumbai Rs 280,000
- 6) Interest on bank accounts in USA Rs 60,000

Compute his Total Income for the A. Y. 2022-23, if he is:

1. Ordinarily resident
2. Not ordinarily resident, and
3. Non-resident.

(07)

**OR**

(C) Discuss the provision of section 24 regarding the deduction available from Income from House property.

(08)

(D) write a note on Capital Assets.

(07)

Q. 3(A)

(A) Mr. Shyamlal sold his residential house during the year 2021-22 for Rs. 55,00,000 which was acquired in the year 2010-11 for Rs. 9,00,000 expenses on transfer amounted to Rs. 1,50,000. He incurred Rs. 1,00,000 for making first floor during the year 2014-15. He purchased a new house on 15-1-2022 for Rs. 20,00,000. You are required to compute income from capital gain for the A.Y. 2022-23.

(15)

Financial Year	C.I.I.
2010-11	167
2014-15	240
2021-22	317

(08)

(B) Explain the deductions under section 80 C.

(07)

**OR**

(C) Following are the particulars of Income of Mr. Aviskar for the AY 2022-23. Compute his total Income.

(15)



**Profit and Loss Account for the year ending 31.03.2019**

Particulars	Amt (Rs.)	Particulars	Amt(Rs.)
To Salaries	3,08,000	By Gross Profit b/d	12,52,000
To Reserve for bad debts	24,000	By Gift from father	54,000
To Rent paid	37,000	By Interest Received on PPF	80,000
To Advertisement	1,60,000	By Dividend Received	57,000
To Entertainment Exp	50,000	By Interest on FD	22,000
To Miscellaneous Exp	97,000		
To Staff Welfare Exp	1,03,000		
To Bad Debts	9,000		
To Interest on Capital	3,00,000		
To Depreciation	68,000		
To Expenses for Disabled Dependent	50,000		
To Net Profit	2,59,000		
	14,65,000		14,65,000

**Additional Information:**

1. Advertisement include Advertisement in souvenir of Political Party Rs 18000
2. Medical Insurance was taken in self name and parents was taken for 42000
3. Depreciation as per income tax act is Rs. 60,000

Q.4

(A) State whether the following Statement is true or false. (08)

(15)

1. Rules of computation of income under all heads are same
2. Every person does not have to pay Income Tax.
3. Foreign income of a non-resident is wholly taxable.
4. Pension received by a Govt. employee is exempt.
5. Tax liability does not arise if income is less than Rs. 6,00,000.
6. Capital gains arise from the transfer of any asset.
7. An assessee can never have loss from lottery income.
8. The quantum of maximum deduction allowed u/s 80U is Rs 50,000.

(B) Multiple Choice Questions. (07)

1. Residential status is to be determined for:
  - (a) Previous Year
  - (b) Assessment Year
  - (c) Accounting Year
  - (d) None of these
2. Municipal tax is deducted from
  - (a) Net Annual value
  - (b) Gross Annual value
  - (c) Municipal Corporation
  - (d) None of the above
3. Depreciation is allowed in the case of
  - (a) Tangible Fixed Assets only
  - (b) Intangible assets only
  - (c) Tangible & Intangible assets
  - (d) Wasting assets only
4. Shares held for less than 12 months are
  - (a) Short Term Capital Gain
  - (b) Long Term Capital Gain
  - (c) Exempted Capital Asset
  - (d) Excluded from the definition of capital asset



	<p>5. If no system of accounting is followed, interest on securities is taxable on</p> <ul style="list-style-type: none"><li>(a) Due Basis</li><li>(b) Receipt basis</li><li>(c) Hybrid basis</li><li>(d) none of the above</li></ul> <p>6. Deduction under 80C is allowed to the maximum of</p> <ul style="list-style-type: none"><li>(a) Rs 50,000</li><li>(b) 1,50,000</li><li>(c) Rs 1,00,000</li><li>(d) None of the above</li></ul> <p>7. Gross total Income is calculated for</p> <ul style="list-style-type: none"><li>(a) Salaries Income</li><li>(b) Business Income</li><li>(c) Capital Gain</li><li>(d) Income from all heads</li></ul>	
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**SOMAIYA**  
VIDYAVIHAR UNIVERSITY



**October 2022**

**Examination: Semester Examination (UG Programmes)**

**Programme code: 01**

**Programme: BCOM [H]**

**Class: TY**

**Semester: V**

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

**Name of the Department:  
COMMERCE**

**Course Code:**

**Name of the Course: FINANCIAL A/C - V**

**Duration: 2 Hr.**

**Maximum Marks: 60**

**Instructions: 1) All question are compulsory. 2) Figures to the right indicates full marks.  
3) Use of simple calculator is allowed.**

Q. No.		Max. Marks
Q.1.	A) Following are the Balance Sheet of Ram Ltd. And Lakhan Ltd.as on 31 <sup>st</sup> March 2022	15

Liabilities	Ram Ltd.	Lakhan Ltd.	Assets	Ram Ltd.	Lakhan Ltd.
Equity Shares Capital of Rs.10	75,00,000	45,00,000	Building	25,00,000	15,50,000
Export Profit Reserves	3,00,000	3,00,000	Machinery	32,50,000	17,00,000
Profit & Loss A/c	7,00,000	6,00,000	Stock	25,50,000	18,00,000
General Reserve	2,00,000	4,00,000	Debtors	9,00,000	10,00,000
12% Debentures of Rs. 100 each	5,00,000	3,00,000	Bank	7,00,000	5,50,000
Sundry Creditors	7,00,000	6,00,000	Share issue Expenses	-	1,00,000
<b>Total</b>	<b>99,00,000</b>	<b>67,00,000</b>	<b>Total</b>	<b>99,00,000</b>	<b>67,00,000</b>

Radha Ltd was formed to acquire all assets and liabilities of Ram Ltd. And Lakhan Ltd. On the following terms:

- 1.Radha Ltd. To have a respective share capital of Rs.5 crores divided into 5,00,000 equity shares of Rs,100 each.
2. The business of both companies were taken over for a total price of Rs 1.2 crores to be discharged by Radha Ltd. By issue of equity share of Rs 100 each at ₹120 each
3. The shareholders of Ram Ltd. And Lakhan ltd. To get shares in Radha ltd. In the ratio of net assets value of their respective shares.
4. The Debentures of both the companies to be converted int equivalent number of 14% Debenture of RS. 100 each in Radha Ltd. At 10% discount.
5. All the tangible assets of both the companies are taken over by Radha Ltd. At book values except the following:

ASSETS	RAM LTD.	LAKHAN LTD.
Building	28,00,000	18,20,000
Machinery	31,50,000	16,00,000

6. Sundry creditors of Ram Ltd. And Lakhan Ltd. Are taken over at Rs.6,50,000 and Rs. 5,00,000 respectively.
7. Statutory reserves are to be maintained for 3 years more.



You are required to :Compute purchase consideration of Ram Ltd. And Lakhan Ltd.

Close the books of old companies by ledger accounts Pass opening journal entries in the books of new company.

OR

Q.1.

The following were the balance sheets of Amar Ltd. & Akbar Ltd. as at 31<sup>st</sup> March,2002.

15

Liabilities	Amar Ltd. Rs.	Akbar Ltd. Rs.
Equity share capital (fully paid shares of Rs.10 each)	15,00,000	6,00,000
Securities premium	3,00,000	-
Foreign projects reserve	-	31000.00
General Reserve	9,50,000	3,20,000
Profit & Loss A/c	2,87,000	82,500
12% Debentures	-	1,00,000
Bills payable	12,000	-
Sundry creditors	1,30,000	45,000
Sundry provisions	1,61,000	71,500
	33,40,000	12,50,000
Assets	Amar Ltd. Rs.	Akbar Ltd. Rs.
Land & Building	8,00,000	-
Plant & Machinery	12,00,000	5,00,000
Furniture, fixtures & Fittings	2,50,000	1,60,000
Stock in trade	770,000	4,10,000
Sundry Debtors	2,20,000	1,10,000
Cash at Bank	1,00,000	62,000
Bills Receivable	-	8,000
	33,40,000	12,50,000

All the bills receivable held by Akbar Ltd. were Amar Ltd's acceptances. On 1<sup>st</sup> April,2002,

Amar Ltd. took over Akbar Ltd. in an amalgamation in the nature of merger.

It was agreed that in discharge of consideration for the business, Amar Ltd. would allot three fully paid equity shares of Rs.10 each at par for every two shares held in Akbar Ltd.

It was also agreed that 12% debentures in Akbar Ltd. would be converted into 13% debentures in Amar Ltd. of the same amount and Denomination. Expenses of amalgamation amounting to Rs.1,000 were borne by Amar Ltd.

You are required to: Calculate purchase consideration,  
Pass journal entries in the books of Amar Ltd. and  
Prepare balance sheet of Amar Ltd. immediately after the merger.

Q2

The following is the balance sheet of Dinesh Limited as on 31<sup>st</sup> March,2022.

15

Liability	Rs.	Assets	Rs.
Issued & Subscribed capital		Goodwill	25,000
10% Preference shares of		Patents	15,000
Rs.100 each	4,00,000	Furniture	35,000
Equity shares of Rs.10 each	10,00,000	Plant & Machinery	6,00,000
12% Debentures	7,50,000	Land & Building	6,50,000



Bank Overdraft	50,000	Stock in trade	80,000
Sundry Creditors	1,40,000	Sundry Debtors	90,000
Bills payable	35,000	Bills receivable	15,000
		Profit & Loss A/c	8,20,000
		Preliminary Expenses	45,000
	<b>23,75,000</b>		<b>23,75,000</b>

The Preference dividend is in arrear for four years. The following scheme of capital reduction was sanctioned by the court and agreed by shareholders:

- (a) The preference shares are to be reduced to Rs.50 each and equity shares to Rs.2 each, both being fully paid.  
 (b) Of the preference dividend in arrears three-fourth to be waived and remaining to be paid in cash.  
 © The Debenture holders to take over plant and machinery at Rs.6,50,000 in part satisfaction of their claim. The remaining claim should be converted into 14% debentures.

- (d) Creditors agreed to reduce their claim by Rs.20,000. Bills payable to be paid immediately.  
 (e) Goodwill, patents, profit and Loss A/c and Preliminary expenses are to be written off entirely.  
 (f) The following assets are to be revalued as under furniture Rs.25,000, stock-in-trade Rs.68,000 Land & Building Rs.5,80,000 Sundry Debtors Rs.90,000  
 (g) A secured loan of Rs.1,50,000 at 12% per annum is to be obtained by mortgaging land and building for repayment of bank overdraft, bills payable and reconstruction expenses Rs.15,000

Pass journal entries to record above scheme and draft the balance sheet of Dinesh Limited after reconstruction.

**OR**

Q.2.

- A. Briefly explain the impact of IND AS – 12 on an organization. [5 MARKS]  
 B. OM LTD. Purchased a Machinery costing ₹ 2,00,000, depreciation is charged @15% on straight line method basis in books. Depreciation is charged @20% p.a. on straight line method in Income Tax, Tax rate is 25%. Calculate deferred tax liability. [5 MARKS]  
 C. Determine the Carrying amount & Tax base amount of the following transaction [5 marks]  
 1. Prepaid expenses of ₹47,000 deductible on accrual basis.  
 2. Accrued income of ₹12,600 taxable on receipt basis.

15

Q.3.

Following is the balance sheet of MUDRA Ltd. as on 31<sup>st</sup> March 2022

Liabilities	Rs.	Assets	Rs.
Share Capital		<b>Fixed Assets</b>	
<b>Authorized:</b>		Land & Building	30,00,000
10,00,000 Equity Shares Of		Plant & Machinery	30,00,000
Rs.10 Each	1,00,00,000	Furniture	22,00,000
<b>Issued:</b>		Investments	15,00,000
8,00,000 Equity Shares Of		<b>Current Assets</b>	
Rs.10 Each Rs.8 Paid Up	64,00,000	Debtors	47,00,000
<b>Reserves</b>		Bill Receivables	10,00,000
General Reserve	10,00,000	Bank Balance	40,00,000
Profit And Loss A/C	50,00,000	Stock	20,00,000
Securities Premium	20,00,000		

15



<b>Secured Loans</b>			
11% Debentures	20,00,000		
Unsecured Loans	20,00,000		
<b>Current Liabilities</b>			
Creditors	15,00,000		
Bills Payable	15,00,000		
	<b>2,14,00,000</b>		<b>2,14,00,000</b>

The company decides to buy back the maximum number of equity shares as may be permitted at a price of Rs.20 per share. Find out maximum number of shares to be bought back and pass journal entries and prepare balance sheet after Buy Back.

**OR**

Q.3.

(B) Following is the balance of M/s Unfair Ltd. as on 31<sup>st</sup> March 2022:

15

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
4,000 6% Preference Shares of 100 each	4,00,000	Land & Building	2,00,000
2000 Equity shares of Rs 100 each, Rs 75 per share paid up	1,50,000	Plant & Machinery	5,00,000
6000 Equity shares of Rs 100 each, Rs 60 paid up	3,60,000	Patents	80,000
5% Debentures (having floating charge on all assets)	2,00,000	Stock	1,10,000
Interest accrued on debentures	10,000	Debtors	2,20,000
Creditors	2,90,000	Cash at bank	60,000
		Profit & Loss A/c	2,40,000
<b>Total</b>	<b>14,10,000</b>	<b>Total</b>	<b>14,10,000</b>

On the above date, the company went into liquidation. The dividend on preference shares were in arrears for two years. Creditors include a loan of Rs.1,00,000 on mortgage of land and building.

**The assets realized as under:**

Land and Building Rs.2,40,000; Plant and Machinery Rs.4,00,000; Patents Rs.60,000; Stock Rs.1,20,000; Debtors Rs.1,60,000.

The expenses of liquidation amounted to Rs.15,000 and legal charges were Rs.6,800. The liquidator is entitled to commission of 3% on all assets realized and a commission of 2% on amount distributed among unsecured creditors. Creditors included salaries and wages payable to workers for past four months Rs. 30,000. All payments were made on 30<sup>th</sup> September 2022.

Prepare Liquidator's Final Statement of Accounts.

Q.4.  
A

Multiple Choice Question: -

- \_\_\_\_\_ of equity shares is an important mode of capital restructuring.  
a. Buy Back    b. Issue    c. Sell    d. Paid-up
- A company has issued capital of 1000 Equity shares of 100 each fully paid. It decides to convert its capital into 10,000 Equity shares of ₹10 each. It is a case of \_\_\_\_\_  
a. consolidation    b. sub-division    c. Fresh issue    d. capital reduction

8



	<p>3. An asset which cost ₹150 has a carrying amount of ₹100. Cumulative depreciation for tax purpose is ₹90 &amp; the tax rate is 25% then _____ will be the tax base of asset  a. ₹ 60   b. ₹ 100   c. ₹ 40   d. ₹ 10</p> <p>4. List 'F' in statement of affairs gives the list of _____.  a. Assets specifically pledged   b. Equity shareholders  c. preferential creditors   d. preference shareholders</p> <p>5. Shares bought back should be physically destroyed within _____ days from the date of buy back.  a. 15   b. 7   c. 30   d. 21</p> <p>6. Following is not an example of statutory reserve _____  a. export profit reserve   b. capital reserve   c. foreign project reserve  d. investment allowance reserve</p> <p>7. The reduction of capital is permitted under section _____ of Companies Act.  a. 77   b. 100   c. 66   d. 61</p> <p>8. Agreed value of sundry assets taken over is ₹ 18,75,000 and liabilities taken over is ₹2,25,000. goodwill is 10% of net Assets _____ will be the amount of purchase consideration.  a. ₹18,00,000   b. ₹18,15,000   c. ₹ 16,50,000   d. ₹1,65,000</p>	
<p>Q.4. B.</p>	<p>State whether the following statements are True or False: -</p> <ol style="list-style-type: none"> <li>1. Buy Back must be authorized by company's Articles of Association.</li> <li>2. List 'D' in statement of affairs gives the list of preferential creditors.</li> <li>3. In Liquidators Final Statement legal charges are paid first.</li> <li>4. Current tax for current &amp; prior periods shall, to the extent unpaid, be recognized as a liability.</li> <li>5. Balance in Capital Reduction should be transferred to general reserve account</li> <li>6. Any balance arising in realization account should be transferred to Equity shareholders A/c in amalgamation.</li> <li>7. Under merger method of amalgamation difference in assets &amp; liabilities taken over of the vendor company are transfer to goodwill account by new company</li> </ol>	<p>7</p>