

SOMAIYA

VIDYAVIHAR UNIVERSITY

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



QUESTION PAPERS

BRANCH: Bachelor of Commerce (Accounting & Finance) Hons.	SEM: VI
ATKT	JUN-2025

Sr. No.	Subject	Available
1.	131U03C601 – Advanced Accounting	✓
2.	131U03V601 – Transfer Pricing	✓
3.	131U03C602 – Advanced Costing Techniques	✓
4.	131U03V602 – Security Analysis & Portfolio Management	✓
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LIBRARY



SOMAIYA
VIDYAVIHAR UNIVERSITY

April - 2025

Examination: End Semester Examination April 2025 (UG Programmes)

Programme code: 03.		Class: TY	Semester: VI
Programme: BAF [HON]			
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 simple calculator is allowed.			

Q. No.		Max. Marks	CO																																																																												
Q.1.	<p>From the following trial balance and additional information Prepare a Final Account of SBI Ltd. As on 31st March 2025.</p> <table> <tr> <th>DR.</th><th>₹</th><th>CR.</th><th>₹</th></tr> <tr> <td>Money at call & short notice</td><td>15,00,000</td><td>30,000 Equity shares of ₹ 100 each</td><td>30,00,000</td></tr> <tr> <td>Cash in Hand</td><td>13,50,000</td><td>Statutory Reserve</td><td>15,00,000</td></tr> <tr> <td>Cash at bank</td><td>16,50,000</td><td>Current Account</td><td>9,00,000</td></tr> <tr> <td>Investments</td><td>9,75,000</td><td>Saving Account</td><td>12,00,000</td></tr> <tr> <td>Secured Loan</td><td>16,50,000</td><td>Fixed Deposits</td><td>6,75,000</td></tr> <tr> <td>Cash Credits</td><td>7,87,500</td><td>Borrowings</td><td>7,87,500</td></tr> <tr> <td>Premises</td><td>6,37,500</td><td>Interest & Discount</td><td>11,25,000</td></tr> <tr> <td>Furniture</td><td>1,12,500</td><td>Commission, Brokerage</td><td>1,46,250</td></tr> <tr> <td>Rent</td><td>5,625</td><td></td><td></td></tr> <tr> <td>Interest Paid on Deposits</td><td>3,37,500</td><td></td><td></td></tr> <tr> <td>Salary</td><td>1,50,000</td><td></td><td></td></tr> <tr> <td>Interest on Borrowings</td><td>56,250</td><td></td><td></td></tr> <tr> <td>Audit Fees</td><td>16,500</td><td></td><td></td></tr> <tr> <td>Other Assets</td><td>75,000</td><td></td><td></td></tr> <tr> <td>Depreciation</td><td>14,625</td><td></td><td></td></tr> <tr> <td>Printing & Stationery</td><td>10,125</td><td></td><td></td></tr> <tr> <td>Other Expenses</td><td>5,625</td><td></td><td></td></tr> <tr> <td></td><td>93,33,750</td><td></td><td>93,33,750</td></tr> </table> <p>Other Information: -</p> <ol style="list-style-type: none"> Provide ₹ 15,000 for doubtful debts. Provide ₹ 30,000 for tax. Rebate on Bills Discounted ₹ 18,750. 	DR.	₹	CR.	₹	Money at call & short notice	15,00,000	30,000 Equity shares of ₹ 100 each	30,00,000	Cash in Hand	13,50,000	Statutory Reserve	15,00,000	Cash at bank	16,50,000	Current Account	9,00,000	Investments	9,75,000	Saving Account	12,00,000	Secured Loan	16,50,000	Fixed Deposits	6,75,000	Cash Credits	7,87,500	Borrowings	7,87,500	Premises	6,37,500	Interest & Discount	11,25,000	Furniture	1,12,500	Commission, Brokerage	1,46,250	Rent	5,625			Interest Paid on Deposits	3,37,500			Salary	1,50,000			Interest on Borrowings	56,250			Audit Fees	16,500			Other Assets	75,000			Depreciation	14,625			Printing & Stationery	10,125			Other Expenses	5,625				93,33,750		93,33,750	15	01
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Q.1.	<p>From the following information prepare Profit & Loss a/c of AXIS Bank Ltd. As on 31-3-25</p> <table><tr><td>PARTICULARS</td><td>₹</td></tr><tr><td>Interest & Discount received</td><td>19,00,080</td></tr><tr><td>Interest paid on deposits</td><td>11,47,680</td></tr><tr><td>Issued & Subscribed capital</td><td>5,00,000</td></tr><tr><td>Salaries & Allowances</td><td>1,25,000</td></tr><tr><td>Directors Fees</td><td>17,500</td></tr><tr><td>Rent & Taxes paid</td><td>50,000</td></tr><tr><td>Postage & Telegrams</td><td>32,670</td></tr><tr><td>Statutory Reserve fund</td><td>4,00,000</td></tr><tr><td>Commission, exchange & brokerage</td><td>95,000</td></tr><tr><td>Rent received</td><td>36,000</td></tr><tr><td>Profit on sale of investment</td><td>1,12,900</td></tr><tr><td>Depreciation on assets</td><td>20,000</td></tr><tr><td>Statutory expenses</td><td>19,000</td></tr><tr><td>Preliminary expenses</td><td>15,000</td></tr><tr><td>Auditors' fees</td><td>6,000</td></tr></table> <p>Additional Information: -</p> <ol style="list-style-type: none">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 ₹ 1,00,000.3. Rebate on bills discounted on 31st Mar. 2024 was ₹ 7,500 & on 31st March 2025 was ₹ 10,000.4. Income tax of ₹ 1,00,000 is to be provided.5. Write-off preliminary expenses.6. The directors desire to declare 5% dividend.	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	15	01																
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Q.2	<p>From the following information taken from the books of SHIVA Insurance Company Prepare final account for the year ended 31st March 2025: -</p> <table><tr><td>PARTICULARS</td><td>₹ in Lakhs</td><td>PARTICULARS</td><td>₹ in Lakhs</td></tr><tr><td>Marine Fund on 1/4/2024</td><td>37.2</td><td>Share Capital</td><td>36.00</td></tr><tr><td>Re insurance premium</td><td>4.48</td><td>Commission on Direct Business</td><td>12.00</td></tr><tr><td>Claims recovered from reinsurance</td><td>1.00</td><td>Commission on reinsurance accepted</td><td>2.40</td></tr><tr><td>Commission on reinsurance ceded</td><td>1.92</td><td>Outstanding premium</td><td>0.88</td></tr><tr><td>Advance Tax paid</td><td>10.00</td><td>Claims intimated but not paid [1/4/24]</td><td>2.40</td></tr><tr><td>Profit & Loss a/c [Cr.]</td><td>3.00</td><td>Expenses of management</td><td>17.20</td></tr><tr><td>General Reserve</td><td>18.00</td><td>Audit fees</td><td>1.44</td></tr><tr><td>Investments</td><td>144</td><td>Rent paid</td><td>0.96</td></tr><tr><td>Premiums</td><td>108</td><td>Income from Investment</td><td>6.12</td></tr><tr><td>Claims Paid</td><td>24.00</td><td>Cash</td><td>11.28</td></tr><tr><td>Creditors</td><td>0.88</td><td></td><td></td></tr></table> <p>Adjustments: -</p> <ol style="list-style-type: none">a. Income Tax to be provided at 25 %.b. Claims intimated but not paid on 31/3/25 ₹4,00,000.c. Expenses of management include legal expenses of ₹ 1,44,000 relating to claimsd. Transfer ₹ 8,00,000 to General Reserve.	PARTICULARS	₹ in Lakhs	PARTICULARS	₹ in Lakhs	Marine Fund on 1/4/2024	37.2	Share Capital	36.00	Re insurance premium	4.48	Commission on Direct Business	12.00	Claims recovered from reinsurance	1.00	Commission on reinsurance accepted	2.40	Commission on reinsurance ceded	1.92	Outstanding premium	0.88	Advance Tax paid	10.00	Claims intimated but not paid [1/4/24]	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			15	02
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OR

Q.2.

BALANCE SHEET OF MUDRA LTD.

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

- a. Profits for previous years before tax: -
2021 - ₹ 5,40,000, 2022 - ₹ 7,80,000, 2023 - ₹ 2,10,000, 2024 - ₹ 12,30,000.
- b. In the year 2023 loss of ₹ 1,20,000 was recorded due to fire.
- c. In the year 2024 profit of ₹ 2,40,000 was earned from non-trading activity.
- 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 include 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.

15

04

Q.3.

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

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

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

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. Determine the amount of maximum bid price for that particular employee & the maximum salary that could be offered to him.

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OR

- Q.3. A. As on 1st April 2020 Money Ltd. as NBFC – ND – SI, entered a Hire Purchase transaction for sale of some Motor Cars, the total Cash Price of Motor Cars amounted to ₹ 2100 Lakhs & the Hire Purchase price was ₹ 2,400 lakhs. The down payment was ₹ 300 lakhs was received on the date of sale and the balance was to be received in 5 equal instalments. The first & second instalment were duly collected on 31st March 2021 & 2022. However, the hire purchaser failed to pay the instalment on 31st March 2023. The company was finalizing its accounts on 15th Aug. 2023 & wants your advice & calculations on the following: -
- Calculate basic provision.
 - Calculate the Net Book Value of Assets as on 31st March 2023 as per the prudential norms applicable. Assume the depreciation @ 20 % p.a. & that the rate of interest applicable is 6.40 %.
 - Calculate the additional provision if required to be made as per the prudential norms applicable.

10

03

- B. PD Finance Ltd., a non-banking financial company, gives the following details from its Balance Sheet for the year ended 31st March 2025. 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 following: - [5 MARKS EACH]

15

01

- A. The following information is available in the books of Dena Bank Ltd. as on 31st MARCH 2025

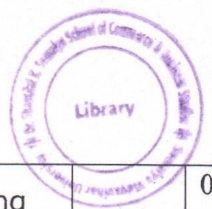
Bills Discounted ₹ 85,00,000.

Rebate on Bills Discounted as on [1-4-24] ₹ 4,75,000.

Discount received ₹ 30,75,000.

Value of bill ₹	Due Date	Rate of Discount
55,00,000	12-06-2025	10%
20,00,000	28-07-2025	12%
10,00,000	11-08-2025	15%

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 2025:

ASSET FUNDED	Interest overdue but recognized		Net Book Value outstanding [₹ in Lakhs]
	Period Overdue	Interest [₹ 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 2025, related to final account of general insurance company.

Assets	Cost ₹	Provision for Dep. [as on 1st April 2024]
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%

03

02



SOMAIYA
VIDYAVIHAR UNIVERSITY

June ATKT '25
TYBAF (Hons) sem VI
Dr. Pricing



April 2025

Examination: End Semester Examination (UG Programmes)

Programme code: 03
Programme: TBAF 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.

Q. No.		Max. Marks	CO
Q1	<p>A) On 01.04.2023, Vihaan Ltd., an Indian company, advanced a loan of 6 crores to Yuvan Inc., a company resident in Singapore. As on the date of loan, the book value of total assets in the books of Yuvan Inc. was ₹4 crores. In the Financial Year 2022-23, Yuvan Inc. had revalued its assets and accordingly the value of assets had increased by ₹2 crores. Yuvan Ltd. paid the entire loan along with interest thereon on 31 August, 2023. During the Financial Year 2023-24, Vihaan Ltd. also entered into an agreement with Yuvan Inc. to provide 20 thousand medical equipments at a cost of ₹7,400 per unit. The Assessing Officer treats them as associate enterprise and wants to re-compute the income of Vihaan Ltd. at arms' length price.</p> <p>You are required to answer the following questions in this respect:</p> <p>(1) Would Vihaan Ltd. and Yuvan Ltd. be treated as associate enterprises for the purpose of transfer pricing adopted by the Assessing Officer? If yes, why?</p> <p>(2) Calculate the arm's length price of Vihaan Ltd. which sells the same equipments at the rate of ₹9,000 per unit to Y Ltd. and at the rate of ₹9,500 per unit to X LLP (both of them are unrelated parties in respect of Vihaan Ltd.). Vihaan Ltd. is not a wholesale dealer.</p> <p>(3) What are the options available to Yuvan Inc. in respect of such increase in transfer price by income tax authorities, if Vihaan Ltd. accepts such transfer price? (15 marks)</p>	15	CO 2
	OR		
	<p>B) NANO Inc., a German Company, holds 45% of equity in Hitech Ltd., an Indian Company. Hitech Ltd. is engaged in development of software and maintenance of the same for customers across the globe. Its clientele includes NANO Inc.</p>	15	CO 1 and CO 2

	<p>During the year, Hitech Ltd. had spent 2,400 man hours for developing and maintaining software for NANO Inc. with each hour being billed at ₹1,300. Cost incurred by Hitech Ltd. for executing work for NANO Inc. amounts to ₹20 lakhs.</p> <p>Hitech Ltd. had also undertaken developing software for Modi Industries, for which Hitech Ltd. had billed at ₹2,700 per man hour. The persons working for Modi Industries and NANO Inc. were part of the same team and were of matching credentials and calibre. Hitech Ltd. made a gross profit of 60% on Modi Industries work. Hitech Ltd.'s transactions with NANO Inc. are comparable to transactions with Modi Industries, subject to the following differences:</p> <p>(i) NANO Inc. gives technical knowhow support to Hitech Ltd., which can be valued at 8% of the normal gross profit. Modi Industries does not provide any such support.</p> <p>(ii) Since the work for NANO Inc. involved huge number of man hours, a quantity discount of 14% of normal gross profits was given.</p> <p>(iii) Hitech Ltd. had offered 90 days credit to NANO Inc., the cost of which is measured at 2% of the normal billing rate. No such discount was offered to Modi Industries.</p> <p>Compute arm's length price as per cost plus method and the amount of increase in total income of Hitech Ltd. (15 marks)</p>		
Q2	<p>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.</p> <p>The transactions of LMN Ltd. with ABC Ltd. and XYZ Ltd. are comparable, subject to the following differences:</p> <ul style="list-style-type: none"> • 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. • 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. <p>Compute the Arm's Length Price along with income to be increased under the Cost-Plus Method. (15 marks)</p>	15	CO 1 and CO 2
	OR		

	<p>B) 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.</p> <p>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)</p>	15	CO 4
Q3	<p>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.</p> <p>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.</p> <p>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)</p>	15	CO 3
	OR		
	<p>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.</p> <p>Sales to Kio are on FOB basis, sales to Geel are CIF basis. The freight and insurance paid by Kio for each unit is ₹700.</p> <p>Sales to Geel are under a free warranty for Two Years whereas sales to Kio are without any warranty. The estimated cost of executing such warranty is ₹500.</p> <p>Since Kio's order was huge in volume, quantity discount of ₹200 per unit was offered to it.</p> <p>Compute the Arm's Length Price and the amount of increase in the Total income of AB Ltd, if are due to such Arm's Length Price. (15 marks)</p>	15	CO 3
Q4	Answer the following questions: (5 marks each)	15	CO 2 and



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)**

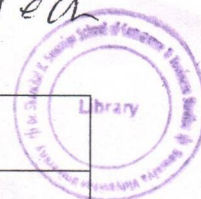
C) Examine the procedure to be followed by the Assessing Officer before making reference to TPO. Can the TPO enlarge his scope of work by calling for details of trading activity at Surat, when the Assessing Officer has made reference only in respect of the manufacturing unit at Hyderabad? Examine. **(5 marks)**

**CO 2
and
CO 4**



SOMAIYA
VIDYAVIHAR UNIVERSITY

ATK5 June 2025
TYBAF SEM VI
Adv Cost Tech



April 2025

Examination: End Semester Examination (UG/PG Programmes)

Programme code: 02

Programme: BAF (Hons-)

Class: TY

Semester: VI

Name of the Constituent College: S K Somaiya

Name of the Department: Accounting and Finance

Course Code: 131U03C602

Name of the Course: Advanced Costing Techniques

Duration : 2 Hr.

Maximum Marks : 60

Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary 3) Working notes should form part of your answer

Question No.		Max. Marks	CO																							
Q1	A. From the following information calculate: P/V ratio, Fixed Cost, BEP, Margin of Safety, profit when sales are Rs. 30,00,000	08	CO2																							
	<table><tr><td></td><td colspan="2">Year 2023</td></tr><tr><td>particulars</td><td>Jan - June</td><td>July-Dec</td></tr><tr><td>Cost Of Sales</td><td>21,00,000</td><td>30,60,000</td></tr><tr><td>Profit/Loss</td><td>-1,0,000</td><td>5,40,000</td></tr></table>		Year 2023		particulars	Jan - June	July-Dec	Cost Of Sales	21,00,000	30,60,000	Profit/Loss	-1,0,000	5,40,000													
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	Profit/Loss	-1,0,000	5,40,000																							
	AND																									
	B. Selling price Rs. 200 per unit, Marginal Cost Rs. 120 per unit, Fixed cost Rs. 36,00,000. Draw BEP chart and indicate: BEP, Fixed cost line, Sales Line, Margin of Safety, Area of loss/Area of Profit, Angle of incidence.	07	CO2																							
	OR																									
	C. M/s. Azad Ltd has given the following details, find the most profitable product mix and prepare statement of Profitability of the product for given situations:	15	CO3																							
<table><tr><td></td><td>Product X</td><td>Product Y</td><td>Product Z</td></tr><tr><td>Units Budgeted to be produced & Sold</td><td>18000</td><td>30000</td><td>12000</td></tr><tr><td>Selling Price per unit (Rs.)</td><td>120</td><td>110</td><td>100</td></tr><tr><td>Direct Material per Unit (@Rs. 8 per Kg)</td><td>Rs.40</td><td>Rs. 24</td><td>Rs. 32</td></tr><tr><td>Direct labour per Unit (@ Rs.4 per hour)</td><td>Rs.16</td><td>Rs.12</td><td>Rs.16</td></tr><tr><td>Variable Overheads per Unit</td><td>Rs.14</td><td>Rs.26</td><td>Rs.16</td></tr></table>		Product X	Product Y	Product Z	Units Budgeted to be produced & Sold	18000	30000	12000	Selling Price per unit (Rs.)	120	110	100	Direct Material per Unit (@Rs. 8 per Kg)	Rs.40	Rs. 24	Rs. 32	Direct labour per Unit (@ Rs.4 per hour)	Rs.16	Rs.12	Rs.16	Variable Overheads per Unit	Rs.14	Rs.26	Rs.16		
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Variable Overheads per Unit	Rs.14	Rs.26	Rs.16																							

Fixed Overheads Per Unit	Rs.20	Rs.20	Rs.20
Maximum possible Units of Sales	40000	50000	15000

All the three products are produced from the same material using the same type of Machines & Labour.

Situation 1: Material is Key factor , is limited to 370000 kgs

Situation 2: Labour turnover is high & is key factor - Labours hours available is 350000 hours

Evaluate both the situation independently - prepare product mix & statement of Profitability under both situation.

Q 2

A. NPX Ltd. uses Standard costing system for manufacturing of its product X. Following is the budget data given in relation to labour hours for manufacture of 1 unit of Product X:

Labour	Hours	Rate (Rs.)
Skilled	2	7
Semi-Skilled	3	5
Un-Skilled Total	5	3
	10	-

In the month of January, 2025 total 10,000 units were produced following are the details:

Labour	Hours	Rate (Rs.)
Skilled	18,000	8
Semi-Skilled	33,000	4.5
Un-Skilled	58,000	4
Total	1,09,000	-

Actual Idle hours (abnormal) during the month:

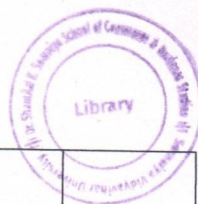
Skilled	500
Semi-Skilled	700
Un-skilled	800
Total	2,000

Calculate:

(a) Labour Cost Variance

15

CO 4



- (b) Labour Rate Variance
- (c) Labour Efficiency Variance
- (d) Labour Mix Variance
- (e) Labour Yield Variance
- (f) Labour Idle Variance

OR

B. Modern Toys dealing in Toy Train , Toy Aeroplane & Toy Monkey provides you following data :

	Budgeted Quantity	Budgeted Price per unit	Actual Quantity
Toy Train	4500	50	4800
Toy Aeroplane	6500	75	7000
Toy Monkey	4000	60	3700

Compute Sales Variance by using Turnover Method .

15

CO 4

Q 3

A. ZED produces two types of products Z and D at its manufacturing plant. Both the products are produced using the same materials, machinery and skilled labour. Machine hours available for the year is 4,000 hours.

Information relating to products are as follows:

Particulars	Z	D
Selling Price per unit	₹16,000	₹4,000
Material Costs per unit	₹7,000	₹1,200
Machine Hours per unit	1.6 hrs.	0.8 hrs.
Maximum Annual Demand	2,000 units	1,600 units
Online Booking (already accepted for)	400 units	1,200 units

Due to poor productivity levels, late order and declining profits over recent years, the CEO has suggested the introduction of throughput accounting in the company.

The total of all factory costs is ₹1,42,60,000, excluding material.

Required

- (i) Using throughput accounting, PREPARE statement to determine the optimum production mix and maximum profit for the next year.
- (ii) CALCULATE the amount of profit lost due to acceptance of online booking of the products

OR

15

CO 1

B. ABC Ltd. is a multiproduct company, manufacturing three products A, B and C. The budgeted costs and production for the year ending 31st March are as follows:

	A	B	C
Production quantity (Units)	5,000	4,000	2,600
Resources per Unit:			
- Direct Materials (Kg.)	4	6	3
- Direct Labour (hours)	0.5	0.75	1

The budgeted direct labour rate was Rs. 10 per hour, and the budgeted material cost was Rs. 2 per kg. Production overheads were budgeted at Rs.99,450 and were absorbed to products using the direct labour hour 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.

Budgeted overheads were analysed into the following:

Cost Pool	Amt (Rs.)
Material handling	29,100
Storage costs	31,200
Electricity	39,150

The cost drivers identified were as follows:

Material handling	Weight of material handled
Storage costs	Number of batches of material
Electricity	Number of Machine operations

	A	B	C
For complete production:			
Batches of material	10	5	15
Per unit of production:			
Number of Machine operations	6	3	2

Data on Cost Drivers was as follows:

You are requested to:

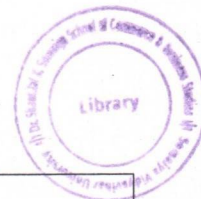
1. PREPARE a statement for management showing the unit costs and total costs of each product using the absorption costing method.

15

CO 5



	2. PREPARE a statement for management showing the product costs of each product using the ABC approach.		
Q 4	<p>A. For making 100kg of a Product , the standard material requirement is Mat A- 80 kg @ Rs.6 per kg , Mat-B -40kg @ 4 per kg .During August 10000 kg of Product was produced .The actual consumption of material is as follows : Mat A- 7500 kg @ Rs.7 per kg , Mat-B -5000kg @ Rs.5 per kg , What is Material Cost Variance.</p> <p>B. XLtd manufactures auto parts . Cost incurred to produce 10000 units is Direct Material Rs. 5 lakhs and Other Variable cost is Rs.14 lakhs , Fixed cost is Rs. 5 Lakhs . The Purchase price of same auto part is Rs.220 , and there will be reduction of Fixed cost by Rs. 1 Lakhs and in addition to this plant capacity will generate rental income of Rs.1.5 lakhs . Is it better to Purchase or Make?</p> <p>C. If Sales for Period I is Rs. 1620000, and for Period II is Rs. 20,52000 and Profit for period I is rs. 43200 and Period II is Rs. 129600, What is PV Ratio & Fixed Cost ?</p> <p>D. Explain the concept of Intra firm competition.</p> <p>E. Discuss cost of quality in brief.</p>	03	CO 3
		03	CO 2
		03	CO 4
		03	CO5
		03	CO1


April 2025
Examination: End Semester Examination (UG Programmes)

Programme code: 03 Programme: BAF (Hon)		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) Mr. Ganesh, a fund manager, produced the following returns for the last 5 years. Rates of returns are also given for comparison. (8 Marks)	(15)	01																		
	<table><tr><td></td><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td></tr><tr><td>Mr. Ganesh</td><td>18%</td><td>30%</td><td>(-) 20%</td><td>10%</td><td>12%</td></tr><tr><td>Sensex</td><td>12%</td><td>22%</td><td>(-)12%</td><td>14%</td><td>8%</td></tr></table>				2020	2021	2022	2023	2024	Mr. Ganesh	18%	30%	(-) 20%	10%	12%	Sensex	12%	22%	(-)12%	14%	8%
				2020	2021	2022	2023	2024													
	Mr. Ganesh			18%	30%	(-) 20%	10%	12%													
	Sensex			12%	22%	(-)12%	14%	8%													
Calculate the average return and standard deviation of Mr. Ganesh's Mutual Fund. Did he do better or worse than Sensex by these measures?																					
..																					
B) The following are the details of investments in shares by Mr. Kunal as on 1.4.24																					
<table><tr><td>Name of the Company</td><td>No of Shares</td><td>Purchase Price</td><td>Sales Price</td><td>Bonus Shares</td></tr><tr><td>Orient Ltd</td><td>50</td><td>3,000</td><td>2,850</td><td>1:1</td></tr><tr><td>Yasaka Ltd</td><td>100</td><td>550</td><td>975</td><td>--</td></tr><tr><td>Union Carbide Ltd</td><td>120</td><td>780</td><td>910</td><td>--</td></tr></table>	Name of the Company	No of Shares	Purchase Price	Sales Price	Bonus Shares	Orient Ltd	50	3,000	2,850	1:1	Yasaka Ltd	100	550	975	--	Union Carbide Ltd	120	780	910	--	01
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Yasaka Ltd	100	550	975	--																	
Union Carbide Ltd	120	780	910	--																	
He sold all his holdings on 31.03.2025. Brokerage paid on purchase is 1% and on Sales is 2%. Orient Limited paid Dividend @ 10 Per shares on Original Shares, Yasaka Ltd paid Dividend @ 5 Per Share and Union Carbide Ltd paid Dividend of Rs. 10 per share.																					
Find out Holding period returns and Annualized Returns of Mr. Kunal (7 Marks)																					
OR																					
C) Explain the Term Investment, Speculation and Gambling and state the differences between them. (8 Marks)																					
D) Explain the meaning of Portfolio Management. State the importance of Portfolio Management. (7 Marks)	02																				
	02																				

Q.2	<p>A) Closing values of the shares of Gigantic ltd from 1st September to 14th September are given below: (7 Marks)</p> <table border="1" data-bbox="152 236 1194 752"> <tr> <th>Date</th><th>Day</th><th>Closing Price</th><th>Date</th><th>Day</th><th>Closing Price</th></tr> <tr> <td>01/09/24</td><td>Monday</td><td>1701.50</td><td>08/09/24</td><td>Monday</td><td>1718.00</td></tr> <tr> <td>02/09/24</td><td>Tuesday</td><td>1720.00</td><td>09/09/24</td><td>Tuesday</td><td>1710.50</td></tr> <tr> <td>03/09/24</td><td>Wednesday</td><td>1711.80</td><td>10/09/24</td><td>Wednesday</td><td>1730.00</td></tr> <tr> <td>04/09/24</td><td>Thursday</td><td>1710.00</td><td>11/09/24</td><td>Thursday</td><td>1735.50</td></tr> <tr> <td>05/09/24</td><td>Friday</td><td>1725.00</td><td>12/09/24</td><td>Friday</td><td>1738.00</td></tr> <tr> <td>06/09/24</td><td>Saturday</td><td>No Trading</td><td>13/09/24</td><td>Saturday</td><td>No Trading</td></tr> <tr> <td>07/09/24</td><td>Sunday</td><td>No Trading</td><td>14/09/24</td><td>Sunday</td><td>No Trading</td></tr> </table> <p>Calculate Exponential Moving Average (EMA) of Nifty during the above period. The 30 days simple moving average of Gigantic may be assumed as 1710. Give detailed analysis on the basis of your calculations.</p> <p>B) Returns of Hem Ltd were 12%, 11%, 14% and 11% in the past four years. While average market returns were 13%, 14%, 15% and 16% in the last four years. Return on Government Securities is 7%. Calculate beta and expected return of Hem Ltd and Gem Ltd. Apply Capital Asset Pricing Model Method. (8 Marks)</p> <p style="text-align: center;">OR</p> <p>C) Explain Different Types of Candle Stick Pattern with appropriate Diagrams? (8 Marks)</p> <p>D) Explain the Mean-Variance Model Promoted by Harry Markowitz. (7 Marks)</p>	Date	Day	Closing Price	Date	Day	Closing Price	01/09/24	Monday	1701.50	08/09/24	Monday	1718.00	02/09/24	Tuesday	1720.00	09/09/24	Tuesday	1710.50	03/09/24	Wednesday	1711.80	10/09/24	Wednesday	1730.00	04/09/24	Thursday	1710.00	11/09/24	Thursday	1735.50	05/09/24	Friday	1725.00	12/09/24	Friday	1738.00	06/09/24	Saturday	No Trading	13/09/24	Saturday	No Trading	07/09/24	Sunday	No Trading	14/09/24	Sunday	No Trading	(15)	03
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Q.3	<p>A) Explain Random Walk Theory. (8 Marks)</p> <p>B) Explain Different Types of Charts with Buy and Sell Signals. (7 Marks)</p> <p style="text-align: center;">OR</p> <p>C) Following are the details of three portfolio: (8 Marks)</p> <table border="1" data-bbox="183 1774 1199 2054"> <tr> <th>Mutual Funds</th><th>Average Return</th><th>Standard Deviation</th><th>Beta</th></tr> <tr> <td>Adity Birla</td><td>12%</td><td>0.30</td><td>0.85</td></tr> <tr> <td>Nippon</td><td>14%</td><td>0.20</td><td>1.15</td></tr> <tr> <td>Reliance</td><td>12%</td><td>0.25</td><td>1.10</td></tr> <tr> <td>Market Index</td><td>14%</td><td>0.20</td><td>1.00</td></tr> </table>	Mutual Funds	Average Return	Standard Deviation	Beta	Adity Birla	12%	0.30	0.85	Nippon	14%	0.20	1.15	Reliance	12%	0.25	1.10	Market Index	14%	0.20	1.00	(15)	04 04 04																												
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The risk-free rate is 9%. You are required to compare these Mutual Fund's on performance using Sharpe's and Jensen's measures and do the ranking accordingly.

D) Mr. Kokate provides you following information of his portfolio: (7 Marks)

<i>Security</i>	<i>Amount Invested</i>	<i>Returns</i>	<i>Standard Deviation</i>
Shares of Aditya	1,80,000	15%	12%
Shares of Birla	1,20,000	20%	18%
	3,00,000		

Advise him about the portfolio risk and return. Co-relation is 0.90

04

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

(15)

a) Hourly share Price of Visava Ltd:

Time	Price of Share	Time	Price of Share
9.15 a.m	270.90	1.00 p.m.	289.00
10.00 a.m	291.00	2.00 p.m.	285.00
11.00 a.m	295.50	3.00 p.m.	255.05
12:00 noon	292.00	3.30 p.m.	292.00

Indicate High, Low, Open and Close prices of Visava Ltd on Candle Stick Pattern.

b) The company sold 50,000 units of Plastic Bottols at Rs. 20 each during the year. Variable expenses are 30% and tax rate is 30%. 8% Debenture of Rs. 6,25,000 were issued at the beginning of the year. Capital of the company is 5,00,000 and fixed cost is 3,00,000. Find out Operating Leverage, Financial Leverage and Combine Leverage

c) Mr. Tanmay is considering investing in one of the following bonds:

<i>Bond</i>	<i>Coupon Rate</i>	<i>Maturity</i>	<i>Price/100 par value</i>
Bond P	10%	8 years	Rs. 85
Bond Q	11%	9 years	Rs. 75

Recommend which bond should be purchased.

04

02

03