

Time: 2.5 Hr.

Direct  
Tax

Marks: 75

- NB.: 1) All Questions are compulsory.  
2) Each Question has internal option.  
3) Figures to right indicate full marks.  
4) Working notes are part of your answer.

Q1A. State whether the following statements are true or false. (Any8)

...8Marks

- Total income of a person is determined on the basis of his citizenship in India.
- Foreign income of an ordinary resident is wholly taxable.
- Salary of M becomes due on 1<sup>st</sup> of next month and it is paid on 7<sup>th</sup> of that month for assessment year 2019-20 the salary of M shall be taken from April 2018 to March 2019.
- Unrealised rent is a deduction from net annual value.
- Under the head business & profession, the method of accounting which in assessee can follow shall be cash system only.
- A firm's business income is nil/negative. It shall not be allowed any deduction on account of remuneration to working partner.
- Legal books belonging to lawyer are treated as "Plant" eligible for depreciation.
- Wealth tax is subject to provisions of section 43B.
- Securities transaction tax paid by the purchaser of shares shall form part of the cost of such shares.
- From claiming deduction u/s 80C in respect of PPF the contribution must be paid by the individual in the PPF account of himself only.

Q1B. Match the Following (Any 7)

...7Marks

No.	Column A	No.	Column B
1	Professional tax	A	Rs.5,00,000
2	Sunita Enterprises pvt.ltd.	B	Deduction from salary
3	Notified amount of exempt retrenchment compensation	C	Section 4
4	Assessment	D	Section 2(8)
5	Jewellery	E	Higher of fair rent and Municipal valuation where standard rent is not applicable.
6	Short term capital assets	F	Company
7	Gross Annual Value	G	Deduction restricted to Rs.30,000/2,00,000 as applicable
8	Charge of income tax	H	Section 80
9	Deduction from GTI included in	I	Capital assets
10	Interest on loan for SOP	J	Indexation not applicable

Q2. Following is Profit and loss account of Mr. Sham's retails business.

...15 Marks

Particulars	Amount(Rs.)	Particulars	Amount(Rs.)
To Salaries	8,50,000	By Gross profit	20,00,000
To Printing and stationery	50,000	By Dividend from HUL Ltd.	1,00,000
To Municipal taxes of house	5,000	By Agricultural Income	50,000
To Depreciation	1,05,000		
To postage and telegram	40,000		
To Interest on loan	2,00,000		
To Income tax	140,000		
To net profit	7,60,000		
	21,50,000		21,50,000

Additional Information:

1. Depreciation as per books of accounts is Rs.1,20,000
2. Salaries Includes salary paid to Mr. Sham Rs.1,50,000
3. Printing and stationery was purchased on same day and entire amount was paid by cash on the same day.

OR

Q2.

X, who is a person with disability submits the following information	Rs.
i) Salary per annum	610000
ii) Rent received per month	4000
iii) Dividend from Co-operative Society	6000
iv) Interest on Bank Deposits	14000
v) Interest on Government securities	10000
vi) Winnings from Lotteries	4000
vii) NSC VIII Issue) purchased during the year	30000
viii) Deposit under PPF Scheme	70000

He earned a long-term capital gain of Rs.98,000 on sale of shares during the year. Compute the taxable income.

Q3. Mr. Abhishek has a house property which has municipal valuation of Rs.2,60,000 p.a. The fair rent is Rs.2,20,000p.a and standard rent fixed by rent control act is Rs.1,20,000p.a. The property was let out for a rent of Rs.22,000p.m throughout the previous year. Unrealised rent was Rs.22,000 an all the conditions prescribed by rule 4 are satisfied. He paid municipal tax Rs.26000. Interest on borrowed capital was Rs.60,000 for the year. Compute income from house property of Mr. Abhishek.

...15 Marks

OR

Q3. Mr. Kohli, a citizen of India, is an export manager of Arjun Overseas Limited, an Indian Company. since 1.5.2014. He has been regularly going to USA for export promotion. He spent the following days in U.S.A. for the last five years:

Previous Year Ended	No. of days spent in USA
31.03.2015	317 days
31.03.2016	150 days
31.03.2017	271 days
31.03.2018	311 days
31.03.2019	294 days

Determine his residential status for assessment year 2019-20 assuming that prior to 1.5.2014 he had never travelled abroad.

Q4. Mrs.Ganga Purchased a house property for Rs.5,00,000 in the year 1980-81. ...15 Marks  
The following expenses were incurred for the property.

1. Cost of construction in the year 1988-89 - Rs.3,50,000.
2. Cost of construction of the 1st floor in 2005-06 - Rs.5,50,000.
3. Alteration of house property in 2017-18 – Rs.2,00,000.
4. Fair value of the property as on 1<sup>st</sup> April,2001 is Rs.7,00,000
5. Expense incurred on transfer during P.Y Rs.10,000

Compute Capital Gain for A.Y.2019-20.

(CII- 2001-02= 100, 2005-06= 117, 2017-18= 272, 2018-19=280)

Q4. A' earns the following income during the financial year 2018-19:

Particulars	Amount Rs.
a) Interest paid by an Indian company but received in London	2,00,000
b) Pension from former employer in India, received in USA	8,000
c) Profits earned from business in Paris which is controlled in India, half of the	40,000
d) Income from agriculture in Bhutan and remitted to India	10,000
e) Income from property in England and received there	8,000
f) Past foreign untaxed income brought to India	20,000

Determine the total income of 'A' for the assessment year 2019-20 if he is

i) Resident and ordinarily resident, ii) Not ordinarily resident, and iii) Non-resident in India.

Q5. Write Short Notes. (Any 3)(5Marks Each) ...15Marks

- a) Heads of income
- b) Perquisites
- c) Depreciation
- d) Indexed cost
- e) Non Resident Individual

- N.B. 1) All Questions are compulsory  
 2) Figures to right indicates full marks  
 3) Use of simple calculator is allowed

Q.1 A) STATE WHETHER THE FOLLOWING TRUE OR FALSE (any Eight)

8

1. Process cost system is applicable to paper mills.
2. Uncertified work is valued at cost.
3. invisible waste has no sale value.
4. Normal loss is treated as normal cost of production.
5. Scrap has no sale value.
6. Income tax paid is recorded under financial accounting.
7. Dividend paid is costing income.
8. overheads include only fixed cost.
9. Notional profit is a concept of contract costing.
10. Work certified is always measured at selling price.

Q1 B. MULTIPLE CHOICE QUESTIONS (any seven)

7

1. The degree of completion of work is determined by comparing the work certified with \_\_\_\_\_  
 (a) Contract price (b) WIP  
 (c) Cash Received (d) Retention money
2. The entire contract is complete. The transfer of profit to p & L Account will be \_\_\_\_\_  
 (a) 1/3 of Notional profit (b) Nil  
 (c) 2/3 of Notional profit (d) 100% of Notional profit
3. Abnormal gain is \_\_\_\_\_ in process account.  
 (a) Debited (b) credited  
 (c) ignored (d) None of the above
4. Abnormal loss is \_\_\_\_\_  
 (a) Controllable (b) Non-controllable  
 (c) profitable (d) none of the above.
5. Work cost is RS 80,000 factory overheads are RS 8,000, hence price cost = \_\_\_\_\_  
 (a) 88,000 (b) 80,000  
 (c) 72,000
6. Cost of secondary packaging is a part of \_\_\_\_\_ overheads.  
 (a) Selling (b) factory  
 (c) Administration
7. Interest paid on loan only appears in \_\_\_\_\_ accounts.  
 (a) Cost (b) finance
8. \_\_\_\_\_ is absorbed by the good units in process costing.  
 (a) Normal loss (b) abnormal loss  
 (c) Abnormal gain.
9. Abnormal gain arises if  
 (a) Output quantity is more than input quantity.  
 (b) There is reduction in normal loss.  
 (c) Abnormal loss is avoided.

- (d) None of the above.
10. Retention money is equal to
- (a) Work certified- work uncertified.
  - (b) Contract price- work certified
  - (c) Work certified – payment received by contractor.
  - (d) All of the above.

Q.2. A The Product of a company passes through three distinct processes to completion . these processes are known as A, B and C. The wastage in each process are as follows: 15

Process A – 2%, Process B – 4% and Process C – 10%

Particulars	Process A	Process B	Process C
Material	2,70,000	2,60,000	1,20,000
Wages	4,30,000	2,40,000	1,30,000
Direct Expenses	1,74,500	1,52,275	1,80,000
Scrap Value	2.5	2.5	5
Normal Output	48,750 units	47,000 units	42,000 units

50,000 units are put in process A at the cost of Rs. 10 per unit

Prepare Process Accounts

OR

Q2. B. M/s Boisar Ltd manufactures a product which passes through three processes. The following information are gathered for the month of March, 2019 15

Particulars	Process X	Process Y	Process Z
Raw materials (in units)	800	416	336
Material cost per unit (Rs)	96	90	35
Indirect Material	7,000	7,000	22,000
Direct wages	680	840	9,496
Indirect wages	15,360	15,200	4,400
Overhead	7,680	7,600	2,200
Normal loss (%)	4%	5%	5%
Scarp value per unit	-	6	-
Output transferred to next process	50%	40%	-
Output transferred to Sales	50%	60%	100%
Selling price	150	170	180

Prepare process Accounts

Q3. A. Lala manufacturing company gives you the following particulars for the year 2019, production and sales during the year was 40,000 units 15

Particulars	Amount	Particulars	Amount
Material	10,00,000	Factory Overhead	
Wages	6,00,000	- Fixed	4,00,000
Administration overhead	4,00,000	- Variable	8,00,000
(Fixed)		Selling overheads	
Sales	48,00,000	- Fixed	2,40,000
Profit	10,00,000	- Variable	3,60,000

Management has decided to increase the capacity of production to 60,000 units for 2020. The following estimations are made:

BAF  
TTT

14/10/19

- (a) There will be rise of 10% in all variable expenditure
- (b) There will be rise of 20% in all fixed overhead
- (c) There will be no need to change the selling price.

Prepare cost sheet for 2019 & 2020

OR

Q3. B. Prepare the cost sheet for the following information:

10

Particulars	Amount
Direct wages	60,000
Purchase of raw material	72,000
Indirect material	3,600
Indirect wages	5,400
Office salaries	7,200
Office expenses	600
Printing and stationery	1,200
Power and fuel	5,400
Legal charges	864
Office rent	1,200
Sales (9,000 units)	1,80,000
<b>Opening stock:</b>	
Raw material	12,000
Work in Progress	2,880
Finished Goods (600 units)	9,750
<b>Closing stock:</b>	
Raw material	13,344
Work in Progress	9,600
Finished Goods (1200 units)	?

Q3.C. Net profit of the company for the year ended 2019 was Rs. 56,600 as shown by the Financial Accounting. On examination both the sets the following facts was discovered:

5

Particulars	Amount
Goodwill write off	1,500
Transfer fees received during the year	200
Depreciation charged	750
Depreciation recovered in cost statement	1000
Opening stock as per Financial Accounting	13,000
Opening stock as per Cost Accounting	12,000
Closing stock as per Financial Accounting	14,000
Closing stock as per Cost Accounting	15,000

Prepare reconciliation statement and find profit as per Cost statement.

Q4.A.

15

The following information relates to a building contract for RS 20,00,000 of M/s Rizvi Builders

Particulars	Amount
Material issued	6,00,000
Direct wages	4,40,000
Direct expenses	24,000

Sub-contact charges	20,000
General Expenses	12,000
Work certified	15,00,000
Work uncertified	16,000
Plant issued	28,000
Materials return to stores	—
Materials at site at the end	10,000
Cash received from contractee during the year	12,00,000
Supervision charges	20,000

Dep on plant @ 10 % required to prepare contract account for the year 2020 show the calculation of profit and loss for the year 2020

OR

Q.4.B. Cute Constructors PVT. Ltd. provide you the following information:

15

- The project commenced on 1<sup>st</sup> September 2013 and its was estimated to be completed by 31<sup>st</sup> march, 2015.
- The contract price was negotiated at RS680 lacs.
- The actual expenditure upon 31<sup>st</sup> march, 2014 and subsequent additional estimated expenditure upon 31<sup>st</sup> march, 2015 is furnished as under:

Particulars	Actual expenditure during 1-9-2013 upon 31-3-2014	Estimated additional expenditure during 1-04-2014 to 31-03-2015
Direct material	1,95,60,000	1,27,40,000
Indirect material	14,23,000	11,77,000
Direct wages	42,46,500	41,33,500
Supervision charges	4,14,400	5,55,600
Architect fees	8,17,500	12,82,500
Construction overheads	31,52,600	21,47,400
Administration overheads	14,16,000	24,34,000
Closing material at site	7,50,000	—
Work uncertified at the end of year	13,80,000	—
Work certified during the year	3,50,00,000	3,30,00,000

The value of plant and machinery sent to site was Rs. 60 lacs, whereas the scrap value of the plant and machinery at the end of the project was estimated to be Rs 3 lac.

Prepare contract Account and Estimated Contract Account.

Q5. A) What is contract costing? Explain the features?

15

B) Distinguish between Financial Accounting and Cost Accounting

OR

Q5. Write short note: (any 3)

15

- Abnormal gain
- Selling & Distribution Overheads
- Retention money
- Need for reconciliation
- Work uncertified

Sem-III 18/10/19

IT

SYBAF

[75]

N.B. :

- 1) All questions are compulsory .
- 2) Each question has internal option .
- 3) Figures to right indicates full marks .
- 4) Q.2 to Q.4 attempt either 'A' and 'B' OR 'C' and 'D'
- 5) From Q. no 5 do either 'A' OR 'B'.

Q.1. A) Fill in the blanks . (Any Eight) (8)

- 1) Short cut key for slide show is \_\_\_\_\_.  
a) F8 b) F9 c) F5 d) F2
- 2) BCC stands for \_\_\_\_\_.  
a) Business Cyber Crime b) Blind Cartography c) Blind Carbon Card d) Blind Carbon Copy
- 3) \_\_\_\_\_ is a software for retrieving , presenting and traversing information on world wide web.  
a) Web browser b) Web server c) HTML d) Java
- 4) Web address is also a \_\_\_\_\_.  
a) URL b) ULR c) RLU d) LUR
- 5) C2B stands for \_\_\_\_\_.  
a) Consumer to Business b) Business to Government c) Commoner to Business d) None
- 6) Batch processing and Multiprogramming was introduced in \_\_\_\_\_ generation .  
a) First b) Second c) Third d) Fourth
- 7) \_\_\_\_\_ command is used to save an existing document .

a) Close b) Save As c) Save d) Exit

8) Slide Sorter of powerpoint is available on \_\_\_\_\_ menu.

a) Insert b) View c) File d) Edit

9) HTML programs are saved with \_\_\_\_\_ extension.

a).htm b).html c).html d)None

10) which of the following is used to write web pages ?

a) HTML b) HTTP c) FTP d) URL

Q.1. B) True or false . (Any Seven) (7)

1) B2B E-Commerce is transaction between two business entities.

2) Amazon is a Business Portal.

3) EFT stands for Electronic Fund Transfer.

4) FTP stands for File Transfer Protocol.

5) Sniffing refers to listening to conversation .

6) Availability of protection against unauthorized data disclosure.

7) HTML is used to establish a link between hypertext and web page.

8) Web browser are software installed on your P.C.

9) Hyperlink is a hardware.

10) GPS device can help us find our destination correctly.

Q.2. A) List and explain Input devices of computer. (8)

B) Explain Strategies for Marketing Sales and Promotion. (7)

OR

C) Define Software? Explain types of Software. (8)

D) Explain Cloud Computing (7)

Q.3. A) Explain the following terms . (8)

1) Data 2) Intranet 3) Database 4) Hardware

B) List and explain different Threat on E-Commerce . (7)

OR

C) Define E-Commerce. Explain the advantages and disadvantages of E-Commerce. (8)

D) Explain Auto- Fill and Auto- Complete feature in MS Excel. (7)

Q.4. A) Explain the following with examples . (8)

1) B2C b) C2B c) C2C d) B2B

B) Explain Customer Relationship Management (MCR). (7)

OR

C) Define Computer . Explain parts of Computer. (8)

D) What is EDI and benefits of EDI . (7)

Q.5. A) Explain the following terms . (15)

1)WWW 2) Network 3) Homepage 4) Decryption 5) Website

OR

B) Write short notes on .(Any Three) (15)

1) Peer -to- Peer Architecture

2)Hybrid Computers

3) E-Mail

4)Mail Merge

5)CPU



(b) Discuss the concept and scope of Macro Economics (7)

**OR**

Discuss in detail various challenges faced by Indian economy. (15)

Q3.(a) Discuss Trade cycles features and phases (8)

(b) explain Ricardo's Theory of Comparative Cost Advantage (7)

**OR**

Discuss the concept of Multiplier with Importance (Give example) (15)

Q4. (a) Explain demand for money (with respect to Keynesian theory). (8)

(b) Describe the factors affecting velocity of circulation of money. (7)

**OR**

Explain the instruments and objectives of Monetary policy (15)

Q5. Write short notes (any Three) (15)

1. Fiscal Policy
2. Union Budget
3. Balance of payment
4. RBI
5. Foreign Exchange

- NB.:
- 1) All questions are compulsory.
  - 2) Each question has internal option.
  - 3) Figures to right indicates full marks.
  - 4) Working notes are part of your answer.

**1. A. Fill in the blanks (any 8):** (8)

1. LLP shall be a \_\_\_\_\_ and a \_\_\_\_\_ separate from its partners.
2. Ordinarily no \_\_\_\_\_ is paid on the capital invested as the partner is already sharing the profits.
3. Sleeping partner need not give any \_\_\_\_\_ about its retirement from the firm.
4. There are \_\_\_\_\_ modes of retirement of a partner.
5. Any lawful act done by a partner without authority may be \_\_\_\_\_ by the LLP.
6. If LLP is unable to pay off the debt, it can be wound up by the \_\_\_\_\_.
7. Registrar can declare a LLP as defunct if no business is being carried on for \_\_\_\_\_ years.
8. In a factory \_\_\_\_\_ process must be carried out.
9. Occupier means a person who has ultimate \_\_\_\_\_ over the factory.
10. There should at least one first aid box for every \_\_\_\_\_ workers.

**B. True or False (Any Seven):** (7)

1. A retiring partner need not give a public notice of his retirement.
2. Person holding out as a partner becomes personally liable for the liability of the firm.
3. Personal use of partnership property for which a partner has to compensate the firm.
4. Firm has separate legal status and therefore can contract with the outsider.
5. Death of LLP partner dissolves LLP.
6. In LLP no partner is liable for the wrongful act of another partner.
7. LLP is not a legal entity.
8. "Lifting machine" means rope sling, hook, shackle.
9. Where there are 100 workers ordinarily employed a safety officer is employed.
10. State Government is all powerful to appoint an Inquiry Committee when factory is engaged in hazardous process.

2. (a) What are the rights and liabilities of a minor admitted to the benefits of partnership. (15)

**OR**

(b) Explain the provisions of retirement of a partner. (15)

3. (a) Explain the extent and limitation of liability of LLP and its partners. (15)

**OR**

(b) Define LLP. Explain its features, Advantages? (15)

4. (a) What are the provisions with regard to welfare of workers under the Factories Act? (15)

**OR**

(b) Explain the following terms: (15)

(i) Manufacturing process

(ii) Occupier

(iii) Hazardous Process

5. (a) Discuss the provisions of maintenance of adequate ventilation under Factories Act. (8)

(b) What are the restrictions on young workers and women workers? (7)

**OR**

5. Write short notes on : (Any Three) (15)

a) Admission of partner

b) Actual or Ostensible partner.

c) Expulsion of a partner

d) Winding up of LLP

e) Compulsory Dissolution

- N.B.: 1] All questions are compulsory with internal options.  
2] Each question carry 15 marks.  
3] Working notes form part of your answer.  
4] Use of only simple calculator is allowed.

Q.1] A. MATCH THE COLUMN: [any 8]

[08]

Column A	Column B
1. Intangible Assets	a. Preferential Creditors
2. Loan against hypothecation of assets	b. Debited to Goodwill
3. Partners may not be directors	c. Gaining Ratio
4. Net Assets	d. Debit all Partners Capital A/c
5. Death of Partner	e. Joint Life Policy
6. Assets take over	f. Transfer to legal representative
7. Wages of workers	g. Secured Creditors
8. Loss in Realisation on Amalgamation	h. Software
9. Excess of Purchase Consideration than Net Assets	i. Sale of Firm to company
10. Continuing Partner	j. Assets less External Liabilities
	k. Will be settled by old firm
	l. Included in Purchase Consideration
	m. Unsecured Creditors

B. FILL IN THE BLANKS [any 7]

[07]

1. Purchase Consideration = Asset less \_\_\_\_\_ liabilities both at market value (Internal/External)
2. In the absence of information, purchase consideration received on conversion should be distributed in the \_\_\_\_\_ ratio. (Equal/Capital)
3. On amalgamation of firm \_\_\_\_\_ Account is opened. (Profit and Loss/Realisation)
4. On amaigamation of firm, fictitious assets of the old firm are \_\_\_\_\_ to capital A/c of the old partners. (Debited/Credited)
5. In excess Capital method the minimum capital is equal to \_\_\_\_\_ unit capital. (Highest/Lowest)
6. Income Tax payable by the firm as on the date of dissolution is treated as \_\_\_\_\_ Creditors. (Secured/Preferential)
7. Excess of income over expenditure is \_\_\_\_\_. (Net Profit/Net Loss)
8. There cannot be more than \_\_\_\_\_ partners in partnership firm. (10/20)
9. The executor is entitled to all rights of a \_\_\_\_\_. (Retired Partner/Deceased Partner)
10. The balance in the capital A/c of a deceased partner is transfer to his \_\_\_\_\_ account. (Family/Executor's)

Q.2] A, B & C carried on business in partnership as Ready Made Cloth Dealers. The partnership agreement provided that-

- 1) The partners were to be credited at the end of each year with interest at 5% per annum on Opening Balance of Capital.
- 2) No interest was to be charged on drawings.
- 3) Profits and losses were to be shared to A 5 and B 3 and C 2. It was agreed that C's share of profit in any year should not be less than Rs.10,000 and any deficiency in such share was to be borne by the other two partners in their profit sharing ratio.

**Trial Balance of the Partnership as on 31-12-2013**

Particulars	Debit Rs.	Credit Rs.
Shop Fittings at cost)	36,000	-
Freehold Premises	60,000	-
Leasehold Premises Purchased during the year	45,000	-
Additions and Alterations to Leaschold Premises	25,000	-
Purchases	2,80,000	-
Stock as at 1-1-2013	42,000	-
Salaries and Wages	64,000	-
Office and Trade Expenses	45,200	-
Rent, Rates and Insurance	10,500	-
Professional Charges	3,500	-
Debtors	20,600	-
Balance at Central Bank Ltd	43,700	-
Partners Capital Account:		
-A	-	80,000
-B	-	50,000
-C	-	30,000
Partners Current Account:		
-A	-	16,000
-B	-	8,000
-C	-	12,000
Sales	-	4,45,000
Trade Creditors	-	37,000
Depreciation Reserve	-	14,000
Reserve for Doubtful Debts	-	500
Drawings other than Monthly Payments:		
-A	7,000	-
-B	6,000	-
-C	4,000	-
<b>Total</b>	<b>6,92,500</b>	<b>6,92,500</b>

(2)

You are given the following additional information

1. Stock on December 31, 2013 was valued at the market value of Rs.35,000 but if valued at cost it was Rs.42,000..
2. Goods worth Rs.1,000 were destroyed by fire and the Insurance Company has admitted claim for Rs.700 only.
3. A debt of Rs.600 is to be written off and provision for doubtful debts is to be at 5%.
4. Salaries and wages include the following monthly drawings by the partners A : Rs.500; B : Rs.300 and C: Rs.250.
5. Partners had during the year been supplied with goods worth Rs.600 to A and Rs.400 to B.
6. On December 31, 2013 rates paid in advance and office and trade expenses owing were Rs.2,500 and Rs.2,100 respectively.
7. Depreciation of shop fittings to be provided at 5% p.a. on cost.
8. Professional Charges include Rs.2,500 fees paid in respect of the acquisition of leasehold premises.
9. The cost of addition and alterations to the leasehold premises were to be written off over 25 years commencing from 1-1-2013.

You are requested to prepare the Trading Account and Profit and Loss Account for the year ending 31st December, 2013 and Balance Sheet as at 31st December 2013.

[15]

OR

(3)

Q.2] X and Y shared profits and losses equally, their Trial Balance as on 31st December 2013 was as under:

Particulars	Rs.	Rs.
Capital X		75,000
Y		75,000
Current X	7,500	
Y	7,500	
Fixed Assets	75,000	
Debtors	25,000	
Bank	25,000	
Stock (Opening)	12,500	
Purchases	62,500	
Wages	6,250	
Office & Administrative Expenses	12,500	
Selling & Distribution Expenses	10,000	
Creditors		12,500
Sales		1,12,500
Advances	31,250	
	<u>2,75,000</u>	<u>2,75,000</u>

Additional Information:

(1) Z retired on 30th June 2013. His capital was paid off but the amounts due to him for (i) Profit of the year (ii) Share of Goodwill Rs. 10,000 (iii) Interest on his capital Rs. 1,250 were to be paid.

(2) X, Y and Z were sharing profits and losses 2:2:1

(3) Closing Stock was 6,250 on 30-6-2013 and 7,500 on 31-12-2013.

(4) Item                      Upto 30-6-2013 [Rs.]                      After 1-7-2013 [Rs.]

Purchases                      37,500                      25,000

Wages                              3,750                      2,500

Sales                                75,000                      37,500

Other expenses were to be equally distributed between the two periods.

(5) Depreciate Fixed Assets by 10% p.a.

(6) Allow interest at 10% p.a. on capital.

Show the final accounts.

Q.3] AB & Co and CD & Co. amalgamated with effect from 1-4-2014, their balance sheet as on 31-3-2014 was as under:

Liabilities	AB & Co. Rs.	CD & Co. Rs.	Assets	AB & Co. Rs.	CD & Co. Rs.
A's Capital	1,00,000	-	Land and Building	2,80,000	-
B's Capital	2,00,000	-	Plant and Machinery	-	8,00,000
C's Capital	-	2,00,000	Stock	3,00,000	4,00,000
D's Capital	-	3,00,000	Debtors	2,00,000	4,00,000
General Reserve	1,00,000	2,00,000	Cash and Bank	1,20,000	1,00,000
Creditors	7,50,000	13,40,000	Investments	3,00,000	4,00,000
Investment Fluctuation Reserve	50,000	60,000			
	<u>12,00,000</u>	<u>21,00,000</u>		<u>12,00,000</u>	<u>21,00,000</u>

Both the firms amalgamated subject to the following terms:

- (1) All the assets and all the liabilities of both the firms shall be taken over by the new firm.
- (2) Land and Building shall be appreciated by 20%.
- (3) Plant and Machinery shall be depreciated by 10%.
- (4) Stock of AB & Co. shall be increased by Rs.50,000.
- (5) Stock of CD & Co. shall be taken at Rs.4,50,000.
- (6) Debtors of AB & Co. shall be decreased by Rs.10,000.
- (7) Debtors of CD & Co. shall be taken at Rs.3,80,000.
- (8) Goodwill of AB & Co. shall be valued at Rs.1,00,000.
- (9) Goodwill of CD & Co. shall be valued at Rs.2,00,000.
- (10) Investment of AB & Co. shall be taken over at Rs.2,80,000.
- (11) Investment of CD & Co. shall be taken over at R Rs.3,60,000.

You required to prepare :

1. Statement showing calculation of purchase consideration.
2. Realisation A/c and Partners Capital A/c in the books of AB & Co.
3. Realisation A/c and Partners Capital A/c in the books of CD & Co.

[15]

OR

(5)

Q.3] L S and B were in partnership sharing profits in the ratio  $\frac{1}{2}$ ,  $\frac{1}{4}$ ,  $\frac{1}{4}$ , Their Balance sheet as on 31<sup>st</sup> December 2013 was as under, the date on which they decided to dissolve the firm.

**Balance Sheet As On 31st December**

Liabilities	Rs.	Assets	Rs.
Creditors	15,000	Cash	9,000
Income Tax Payable	4,000	Stock-in-trade	40,000
Loan from Bank (Secured by pledge of Stock-in-trade)	30,000	Debtors	60,000
Loan from S	11,000	Furniture	36,000
Partner's Capital:		Motor Car	25,000
-L 40,000			
-S 40,000			
-B 30,000			
	1,10,000		
	<u>1,70,000</u>		<u>1,70,000</u>

1. Bank could realize only 25,000 on disposal of stock-in-trade.
2. A sum of Rs.3,000 was spent on furniture for getting better price.
3. Other Assets were realized as follows: In January 2014 Rs.12,000; In February 2014 Rs. 15,000; In March 2014, Rs.10,000, in April 2014 Rs.30,000; in May 2014, Rs.35,000.

The Partner's distributed the cash as and when available. Using Highest Relative Capital Method. Show the distribution of cash.

[15]

Q.4] ABC Co. Ltd. was formed with an authorised capital of Rs.1,50,000 consisting of Rs.10,000 Equity shares @ Rs.10 each and 5000, 7½% Preference Shares of Rs. 10 each to acquire on 1-7-14 the business of M/s 'Lad and Wad', who were sharing profits in the ratio of 3:2. Their Balance Sheet as on 30-06-14 was as follows:

Liabilities	Rs.	Assets	Rs.
Trade Creditors	16,580	Land and Building	40,000
Overdraft	8,950	Plant and Machinery	24,000
Capitals :		Stock	15,960
Lad	40,974	Debtors	23,860
Wad	37,316		
	<u>1,03,820</u>		<u>1,03,820</u>

(6)

The Company took over all the assets and assumed all the liabilities and the consideration was fixed at Rs.1,10,000. In computing this figure, Land and Building were valued at Rs.60,000, Plant and machinery at Rs.20,000; Stock at Rs.15,000 and Debtors at book value subject to allowance of 5% to cover the doubtful debts.

The purchase price was settled by the issue of 3,300 Equity shares at Rs.10 each. to the firm. 2,500 Preference shares of Rs.10 each, and the balance paid in cash.

Prepare :

- a) Realisation A/c
- b) Partner's Capital A/c
- c) ABC Co. Ltd A/c and
- d) Cash A/c

[15]

OR

Q.4] Aranya Ltd. imported goods from Bluebirds Ltd. of USA worth US \$ 1,50,000 on 1st December, 2013 when the exchange rate was Rs.60 per US \$. The amount to be paid in instalments is as follows:

Date	Amount of Instalment US \$	Exchange Rate Per US \$ (Rs.)
31-12-2013	20,000	60
15-01-2014	40,000	62
10-02-2014	60,000	59
30-04-2014	30,000	65

Aranya Ltd. closes the books on 31<sup>st</sup> March every year. On 31<sup>st</sup> March, 2014 the exchange rate was Rs.63 per US \$

You are required to pass Journal Entries for the years ended 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015 in the books of Aranya Ltd.

Also prepare Foreign Exchange Fluctuation Account in the books of Aranya Ltd. for the relevant years.

[15]

Q.5] A] What is monetary item as per AS 11? Give any 5 examples.

[08]

B] Explain the steps to calculate partners share under excess capital method.

[07]

OR

Q.5] Write a short note on [any three]:

[15]

A] Payment method of purchase consideration.

B] Treatment of goodwill at the time of admission of partner.

C] Piecemeal Distribution.

D] Steps for conversion of partnership firm into Joint Stock Company.

E] Preferential Liability.

[Time: 2 ½ Hours

]Marks:75

- Instructions:** (a) All questions are compulsory and carry equal marks  
(b) Figures to the right indicate marks  
(c) Support answers with examples wherever necessary

**Q1) A. Choose the correct option : (Any 8)**

(08)

1. The central banking function in India are performed by the \_\_\_\_\_.  
(a) Punjab National Bank b) State Bank of India c) Central Bank of India d) Reserve Bank of India)
2. \_\_\_\_\_ is the function of financial system .  
(a) Saving function b) Nationalization of financial institutionc)Establishment of development Banks
3. \_\_\_\_\_ controls the money market.  
(a) SBI b) RBI c) DFHI d) IDBI
4. The IPO of a bank process is ultimately regulated by the \_\_\_\_\_.  
(a) AMFI b) CBI c) SEBI d) RBI
5. A capital is raised by issue of shares and ploughing back of profits \_\_\_\_\_.  
(Owned capital, Borrowed capital, Fixed capital, Floating capital. )
6. The \_\_\_\_\_ interest rate derivatives that were introduced recently are debt instruments.  
(Exchange traded, Capital Market, Debt, Treasury bills )
7. \_\_\_\_\_ is the function of financial system.  
(Saving function, Nationalization of financial institution, Establishment of development banks, Intermediaries control)
8. A \_\_\_\_\_ is when a company issues its existing shareholders a right to buy additional shares in the company.  
( Right issue, Sweat equity, ESOP, Book Building )
9. The Central Bank Functions in India as performed by the \_\_\_\_\_.  
( Central Bank of India, Reserve Bank of India )
10. The Central Co-operative Bank works at the \_\_\_\_\_ level.  
( Base, First, Co-operative Bank, Apex)

GROUP A	GROUP B
a) Ordinary shares	i. Leasing
b) Commercial paper	ii. Equity shares
c) Fund based	iii. Unsecured short-term promissory notes
d) Derivative	iv. Investor protection
e) SEBI	v. Book entry
f) Registered Bonds	vi. Hedging
g) IPO	vii. 1935
h) Banks	viii. Fresh issue
i) RBI	ix. Capital and money market
j) Financial Market	x. Financial intermediaries

2. a) Explain in detail the various constituents of Indian Financial system? (08)  
 b) What are the various challenges faced by financial sector? (07)  
 OR  
 c) What are mutual funds and Explain its advantages & disadvantages. (15)
3. a) What is inflation? What are various types of inflation? (08)  
 b) Elaborate the role of capital market in economic development (07)  
 OR  
 c) What is money market and what are the various instruments of money market (15)
4. a) What are financial instruments and Explain its characteristics? (08)  
 b) Explain the advantages and disadvantages of derivatives (07)  
 OR  
 c) What is derivatives and Explain its characteristics & needs (15)
5. a) Explain mutual fund and its features. (08)  
 b) Explain problems of merchant bankers. (07)  
 OR
6. c) Write Short Notes on: (ANY 3) (15)  
 1. Commercial papers  
 2. Corporate Bonds  
 3. Banker's acceptance.  
 4. Call money.  
 5. Credit cards

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