

Question Paper Set of

S.Y.B.A.F. – Sem-III

Regular College Exam

November, 2017

Business Law

OIC SY.BAF

25/11/17

Q.P. Code :20995

[Time: 2:30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

N.B: 1. All questions are compulsory.

Q1.

A. Fill in the blank (Any 8)

08

1. Registration of partnership in Maharashtra is _____.
2. Karta of a Joint Hindu Family firm has _____ liability.
3. A nominal partner is liable for the _____ of the firm.
4. No Public is to be given in case of _____ of a partner.
5. Goodwill of a business is a partnership _____.
6. The contribution constitutes capital of LLP and is kind of _____ to the external world.
7. Ambulance room in factory employing more than _____ workers.
8. Preserving or storing any article in cold storage is a _____.
9. In a factory the occupier may appoint a welfare officer where there are _____ workers.
10. Occupier means a person who has ultimate _____ over the factory.

B. True or False (any 7)

07

1. Looking devices for cutting off power are for permanently closing such machinery.
2. Safety officer is appointed where 100 workers are employed in a factory.
3. The Chief Inspector shall be the Chairman of the site Appraisal committee.
4. Profit sharing is the true test of partnership.
5. Liability of partners under partnership is limited.
6. Under LLP the term business only includes trade.
7. Atleast one of the designated partner shall be a resident in India.
8. The death of a partner dissolve the firm.
9. A co - owner is the agent of the other co - owner.
10. A retiring partner need not give a public of his retirement.

Q.2

- a) What is dissolution of a firm? Explain the grounds of dissolution of firm by court? 15

OR

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

Q.3

- a) Define LLP? Discuss the nature of LLP? 15

OR

- b) What is the advantage of LLP? Difference between LLP and Partnership firm? 15

Q.4

- a) Explain the following terms: 15

- i) Hazardous process
- ii) Occupier
- iii) Factory

OR

- b) Explain the provisions of Factories Act regarding safety of workers? 15

TURN OVER

- Q.5 a) Who is a worker? Discuss its rights and obligations?
b) Discuss the provisions of maintenance of adequate ventilation under Factories Act?

OR

Write short notes: (any 3)

1. Precincts
2. Designated partners
3. Concept of Goodwill
4. Nominal partner
5. Precautions in case of fire under Factories Act.

Q.P. Code :20859

[Time: Three Hours]

[Marks:80]

Please check whether you have got the right question paper.

- N.B:**
1. All questions are compulsory.
 2. All questions carry in marks.
 3. Figures to the right indicate full marks.
 4. Use simple calculator.
 5. Working should from part of answer.

a) State whether True or False : (Any eight)

08

- i. Prime cost = Direct Material cost + Direct Labour cost + direct expenses.
- ii. Joint products are of equal importance.
- iii. Retention Money = Payment received – work certified.
- iv. Overheads include only fixed cost.
- v. The sale price of material for a contract is credited to the contract account.
- vi. Dividend paid is a financial income.
- vii. In cost sheet selling and Distribution Overheads included in the cost of Production.
- viii. Goodwill written off appears only in the cost accounts.
- ix. Need for reconciliation arises in case of Non – intergrated system of accounts.
- x. The cost of units of abnormal gain is debited to the process account.

b) Match the followings : (Any seven)

07

i. Notional Profit	a) Unit × % of normal loss
ii. Expenses on issue of shares	b) Normal cost / normal output
iii. Normal loss	c) Office and Administrative Overheads
iv. Depreciation on computer	d) Work certified + work done but uncertified
v. Unit cost	e) Income credited only in cost Accounting
vi. Abnormal loss	f) Selling And distribution Overheads
vii. Carriage inward	g) Expenses debited only in Financial Accounts
viii. Work completed	h) Cost of Materials
ix. Advertising	i) Work certified – cost of work certified
x. Notional rent charged to owner	j) Normal output – Actual output

Q.P. Code :20859

Q.2 Given below is the Trading, profit & Loss Account of Ltd. For the year 31st March 2015.

15

Particulars	Rs.	Particulars	Rs.
To Materials consumed	3,00,000	By sales (2,50,000)	7,50,000
To wages	2,00,000		
To factory expenses	1,20,000		
To factory expenses	40,000		
To selling expenses	80,000		
To net profit	10,000		
	7,50,000		7,50,000

Information related with cost accounting are as follows:-

Factory overheads- Fixed Rs.60000 and variable Rs.75000

Office overheads-Rs.50000 Selling overheads – fixed Rs.30000, variable Rs.62500.

Prepare statement reconciling profit as per cost accounts & financial accounts.

15

OR

Bahubali Ltd. started a factory in Mumbai on 1st April 2016. Following detail is available for the year ended 31st March 2017:

Raw materials consumed – 40,000 units @ Rs.7 per unit.

Direct wages – skilled worker Rs. 9 per unit.

Unskilled worker Rs. 6 per unit.

Direct expenses – Rs.3 per unit.

Work overheads Rs.8 per machine hours worked – 25,000 hrs.

Offices overheads Rs.4, 00,000, Sales commission Rs.4 per unit sold.

Unit produced – 40,000 and unit sold – 36,000

Selling price per unit Rs 50. Prepare cost sheet showing the various elements of cost & per unit cost.

Q.3 Product 'A' is obtained after it is processed through process X,Y and Z.

15

The following cost information is available for the month ended 31st March, 2014.

Particulars	Processes		
	X	Y	Z
Number of units introduced in the process	5,000		
Rate per unit of units introduced	04		
Cost of Material	2,600	2,000	1,025
Direct Wages	2,250	3,680	1,400
Production overheads	2,250	3,680	1,400
Normal Loss (%on units introduced in each process i.e. input)	10%	20%	25%
Value of scrap per unit	02	04	05
Output in units	4,500	3,400	2,700

There is no stock in any process. You are required to prepare the process Accounts, abnormal loss, abnormal gain & normal loss account.

SYBAF

Q.P. Code :22441

[Time: 2:30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. Attempt all questions.
 2. Figure to the right indicate full marks.

Q.1

A) Multiple Choice Questions – Select the correct answer (Any 8)

08

- The central banking function in India are performed by the -----
 - a) Central Bank of India
 - b) Reserve Bank of India
 - c) State Bank of India
 - d) Punjab National Bank
- is chairman of central Board of directors of RBI
 - a) Finance Minister
 - b) Governor
 - c) President
- is the function of financial system.
 - a) Saving function
 - b) Nationalization of financial institution
 - c) Establishments of development Banks
- The IPO of a bank process is ultimately regulated by the -----
 - a) RBI
 - b) SEBI
 - c) AMFI
 - d) CBI
- The ----- usually have the maturity period of at least one year.
 - a) Equity shares
 - b) Debenture
 - c) Corporate Bonds
 - d) ULIPS
- Debt Instruments which have a maturity of less than 1 year at the time of issue are called ----- Instruments.
 - a) Debt
 - b) Equity
 - c) Money Market
 - d) Financial
- are plans that are sponsored by most large companies.
 - a) ESOP
 - b) DRIPS
 - c) Dividend
 - d) Bonus share

Q.P. Code :22441

- viii) All type of activities which are of a financial nature are called -----
- Financial Market
 - Primary Market
 - Capital Market
 - Financial services.
- ix) Financial instruments are useful for -----
- Creating benefits for government
 - Providing credit creation
 - Mobilisation of saving
 - For creating direct securities.
- x) ----- is a road towards a high growth economy.
- Venture capital
 - Merchant Banking
 - Leasing
 - None of these.

B) State whether True or False (Any 7)

- The settlement cycle is now T+1
- The organized Sector is largely made up of money lenders and indigenous bankers.
- Primary Market deals in new financial claim, therefore it is called new issue Market.
- SBTS stands for simple basket trading system.
- The benefits of debt markets include diversifying credit risks across the economy by providing an alternative to conventional bank lending.
- The corporate debt market in India basically comprises PSU bonds and private sector bonds.
- If a person is a "bull", then they expect prices to rise.
- The merchant banking activity in India is governed by AMFI
- Money Market is a place where the demand for and supply of short term fund are met.
- Debit cards and credit cards differ in some significant ways.

Q.2

A) Explain in detail various constituents of India financial System

B) Explain various functions of financial Intermediaries.

OR

C) Explain in detail various financial services offered in the financial system.

Q.3 A) What is money Markets and Explain the Instruments of money Markets.

B) Explain characteristics of capital market?

OR

C) What are the various types of bonds?

D) Explain the status of debt markets in India?

Q.4 A) Explain various sources of capital in an organization?

B) Explain characteristics of financial Instruments?

OR

A) Explain how Derivatives are used?

B) Explain forward v/s futures contract

Q.5 A) Explain merchant Banking and how it is different from commercial Banking?

B) Explain role of NBFC in corporate Sector?

OR

C) Write short notes on (Any 3)

- 1) Venture capital
- 2) Features of mutual funds
- 3) Commercial paper
- 4) KARVY Investors Services Hd
- 5) REPO Transaction

Q.P. Code: 23405

[Time: 2.30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. Attempt all questions.
2. All questions carry equal marks

1 Answer any two

15

- Explain the concept of circular flow of income and expenditure in a three – sector economy.
- Discuss the various factors affecting consumption function.
- Explain concept of multiplier and bring out various leakages of the multiplier.

2 Answer any two

15

- Explain the Keynesian approach to demand for money.
- Explain the effects of inflation.
- Explain the objectives of monetary policy.

3 Answer any two

15

- Explain the principle of sound finances.
- Explain the burden of internal public debt.
- Discuss the limitations of the FRBM Act, 2003.

4 Answer any two

15

- Evaluate Ricardian Theory of comparative cost.
- Discuss the arguments for free trade.
- Explain measures to control deficit in the balance of payments.

A) Conceptual question (any four out of six)

8

- National income
- Money supply
- Public expenditure
- Public debt
- Currency devaluation
- Quota

B) Multiple choice question (any seven)

7

- In a circular flow economy firms supply-----
 - Labour
 - Goods and services
 - Land
 - None of the above
- The ----- theory attributes business cycles to changes in marginal efficiency of capital
 - Monetary
 - Multiplier – accelerator
 - Real business
 - Investment

- 3) Demand for transaction and precautionary motive is interest-----
 - a) Elastic
 - b) Unit elastic
 - c) Inelastic
 - d) None of the above
- 4) Which of the following is not a direct cause of demand – pull inflation-----
 - a) Deficit financing
 - b) Credit creation
 - c) Raw materials
 - d) Black money
- 5) External debt implies borrowing from-----
 - a) Individuals
 - b) Firms
 - c) Foreign countries
 - d) None of the above
- 6) Ricardian theory measures comparative cost in terms of-----
 - a) Money
 - b) Labour days
 - c) Cost of all inputs
 - d) None of the above
- 7) Expenditure switching policies used to correct deficit in the balance of payments----
 - a) Devaluation
 - b) Revaluation
 - c) Appreciation
 - d) All of the above
- 8) Which of the following is not true of prosperity? ----
 - a) It begins at peak
 - b) Bank credit grows rapidly
 - c) Idle funds are channelized into productive area
 - d) Comes to an end at peak
- 9) Inflation is beneficial to -----
 - a) Fixed income group
 - b) Business people
 - c) Creditors
 - d) None of the above
- 10) Income terms of trade tells increased capacity to ----
 - a) Export
 - b) Import
 - c) Investment
 - d) None of the above

Q.P. Code: 22809

DURATION: 2.30 HOURS

TOTAL MARKS: 75

NOTE :

1. All the 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) Fill in the blanks with an appropriate option.(Any 8)

(08)

1. In the absence of provision in partnership deed, Interest at _____ per annum is allowed on partner's loan.
 - A) 5 %
 - B) 6%
 - C) 7%
 - D) 8%
2. Profit and Loss appropriation account is prepared to ascertain _____ profit.
 - A) Gross
 - B) Net
 - C) Divisible
 - D) Adjusted
3. Practically in case of actual dissolution the assets are realized on _____ basis.
 - A) Immediate
 - B) Gradual
 - C) hasty
 - D) Prompt
4. M, N & Q were partners sharing profits & losses in the ratio of 5:6:4. M expired, the new profit sharing ratio after M's death would be _____.
 - A) 3:1
 - B) 3:2
 - C) 1:1
 - D) None of these
5. When closing the books of the old partnership firm, all the assets and liabilities are transferred to realization account at _____ value.
 - A) Market
 - B) Book
 - C) Barter
 - D) Agreed
6. On amalgamation partner's loan taken over by new firm is transferred to _____ account.
 - A) Partner's capital
 - B) Partner's Loan
 - C) New firm
 - D) Realisation
7. Conversion of partnership into a limited company is referred to as _____ of partnership business to a joint stock company.
 - A) Exchange
 - B) Sale
 - C) Transfer
 - C) Acquisition
8. Purchase consideration of vendor partnership firm can be discharged in form of _____.
 - A) Cash only
 - B) Shares only
 - C) Shares, debentures & Cash
 - D) Debentures only
9. Foreign exchange fluctuation account is a _____ account.
 - A) Real
 - B) Personal
 - C) Fictitious
 - D) Nominal
10. At the end of the accounting period any difference in foreign exchange fluctuation is transferred to _____ account.
 - A) Realisation
 - B) Revaluation
 - C) Profit & Loss
 - D) Profit & Loss appropriation

Q.P. Code: 22809

Q.1B) State whether the following statements are True or False: (Any7)

- 1) Purchase of office equipment is shown in Profit & Loss A/c on debit side.
- 2) Adjustment to partners' capital are passed through current accounts when the capitals are fluctuating.
- 3) Surplus capital method is also known as Highest relative capital method.
- 4) Government dues are paid on preference basis.
- 5) AS 13 deals with amalgamation.
- 6) Purchase consideration is amount payable by new firm to vendor firms.
- 7) On Conversion or Sale of firm, In Equitable approach Equity shares are divided in Fixed capital.
- 8) On Conversion or Sale of firm, Realisation expenses paid by Ltd. company debited is to Realisation Account.
- 9) Reporting currency is the currency used in presenting financial statements of an Enterprises.
- 10) Accounts receivable is a non-monetary items.

Q.2 Raju, Rancho and Farhan were partners sharing profit and losses in the ratio of 2:2:1. Farhan decided to retired from firm on 1st April.2016. The following is their trial balance as on 31st Dec.2016. (1)

Name of the Account	Dr. Rs.	Cr.Rs.
Drawings and Capital A/c.		
Raju	8000	80000
Rancho	6000	60000
Farhan	4000	40000
Purchases	310000	
Wages	20000	
Bank overdraft		25000
Creditors		120000
Sales		500000
Bank Loan		50000
Opening stock	40000	
Equipment	150000	
Rent & Insurance	10200	
Salaries	40000	
Advertisement	8000	
Commission to Salesmen	4000	
General Expenses	4000	
Debtors	120000	
Cash	35800	
Furniture	60000	
Bills receivable	20000	
Computers	40000	
Bills payable		5000
	880000	880000

Q.P. Code: 22809

ADJUSTMENTS:

- Sales for 1.1.2016 to 1.4.2016 was Rs. 1,50,000..
- The value of closing stock as on 31.12.2016 Rs.50000.
- Interest on capital is to be provided @ 10% p.a.
- Depreciation to be provided on Equipments @ 10% p.a., Furniture @ 5%p.a. and Computers @ 15% p.a.
- Goods worth Rs. 5,000 were destroyed by fire and Insurance co. admitted the claim in full.
- Amount payable to retiring partner is to be transferred to Loan A/c.

Prepare Final Accounts of the Firm.

OR

Q.2 The following is the Trial Balance of a firm as on 31st December 2016.

(15)

PARTICULARS	DEBIT	PARTICULARS	CREDIT
Current Account:		Capital :	
Kamal	10,000	Kamal	30,000
Kusum	8,000	Kusum	20,000
Kajal	4,000	Cash paid by Kajal on 1 st July 2016	40,000
Cash in hand	8,880	Bills Payable	23,900
Opening Stock	79,450	Reserve for Doubtful Debts	10,400
Purchases	3,43,250	Creditors	51,050
Returns Inward	10,500	Outstanding salaries	4,200
Wages	34,350	Sales	5,25,300
Salaries	19,590	Returns Outward	8,250
Furniture and Fixtures	10,000		
Trademarks	31,000		
Postage & Insurance	6,480		
Trade expenses	5,380		
Rent	8,400		
Debtors	80,400		
Bad debts	800		
Investment at 5% made on 1 st August, 2016	12,000		
Prepaid rent	480		
Bills receivable	40,140		
	7,13,100		7,13,100

Kamal and Kusum were running a business in partnership sharing profits equally.

On 1st July 2016, Kajal admitted into partnership firm for $\frac{1}{3}$ rd of profit. she brought in Rs.40,000 in cash of which Rs. 12,000 were considered as being payment for her share of goodwill and remainder as her capital.

Additional Information

- Rate of depreciation on Furniture is @ 10%p.a.
- Goods to the value of Rs. 2000 have been distributed as free sample.
- $\frac{1}{5}$ th of the Trademarks are to be written off.
- Closing Stock Rs. 40,000.

You are required to Prepare firm's Final Account for the year ending as on 31st December, 2016. The gross profit for the year is to be allocated in ratio of time between the pre and post admission period.

Q.P. Code: 22809

Q.3 Following are the Balance sheet of two firms as at 31st March, 2016.

(15)

LIABILITIES	SK & CO.	ND & CO.	ASSETS	SK & CO.	ND & CO.
Capital Accounts:			Computers	75,400	96,200
Shubhada	85,000		Furniture	34,500	25,000
Komal	1,05,000		Stock	62,350	47,750
Nikita		80,000	Investment	50,000	45,000
Dipti		90,000	Debtors	1,01,350	1,11,550
General Reserve	75,000	50,000	Cash	2,000	3,000
Loan	25,000	30,000			
Sundry creditors	35,600	78,500			
	3,25,600	3,28,500		3,25,600	3,28,500

Both the firms have agreed to amalgamate on the following terms and conditions:

- The assets of SK & co. were revalued as under:
Furniture Rs.38,000, Stock Rs.55,000, Debtors Rs.98,250, Computers Rs.65,000, Investment Rs.45,000.
- All the assets and liabilities of ND& co. were taken over at respective book values except Furni which is taken over by Nikita at Rs.24,000.
- Value of goodwill of SK & co. and ND& Co. was agreed at Rs.75,000 and Rs.90,000 respectively.
- Shubhada and Komal were sharing profit in the ratio 1:2. Nikita and Dipti were sharing profit in ratio of 2:3.

You are required to prepare necessary ledger accounts to close the books of old firms and Prepare the Balance sheet of New firm after amalgamation.

OR

Q.3 Hira, Xelia and Sayyed were into partnership business who shared profits & losses in the ratio of 3 respectively is as follows :

(15)

BALANCE SHEET AS ON 31ST MARCH 2017

LIABILITIES	AMT	ASSET	AMT
CAPITAL		Building	300000
Hira	300000	Machinery	120000
Xelia	200000	Stock	70000
Sayyed	100000	Sundry Debtors	80000
Outstanding expenses	36000	Cash	97000
Bank overdraft	25000	Preliminary expenses	18000
Sundry Creditors	24000		
	685000		685000

It was decided by all the partners to convert their partnership firm into a joint stock company by the name HIXESO Ltd. For this purpose it was decided to revalue the assets as follows:

Building	400000
Machinery	100000
Stock	51000

All the other assets and external liabilities except for bank overdraft were to be taken over by the new company at book value. The purchase consideration was to be discharged as under:

- 6000 Equity shares in HIXESO Ltd of Rs. 100 each at par.
- Balance to be paid in cash.

Q.P. Code: 22809

You are required to

- Calculate the purchase consideration.
- Pass journal entries to close the books of the old partnership firm. (Narrations not required.)
- Pass opening entries in the books of HIXESO Ltd. (Narrations not required.)

Q 4. On 10th December, 2015 Peacock Ltd of Delhi imported goods worth £ 4,00,000 from Parrot Ltd. of USA. The payment for the same was paid as follows: (15)

10 th December, 2015	£ 60,000
1 st . February 2016	£ 140,000
21 st March 2016	£ 120,000
1 st May 2016	£ 80,000

The Exchange rate for £ 1 was as follows:

DATE	RS.
10 th December 2015	62
1 st February 2016	64
21 st March 2016	63.5
31 st March 2016	60
1 st May 2016	59.5

Pass Journal entries for the above Foreign Exchange transactions in the books of Peacock Ltd. for the year ended 31st March 2016 and 2017.

OR

Q.4 Uma, Maya and Kama are sharing profit in the ratio of 3:2:1

(15)

LIABILITIES	AMT. RS.	ASSETS	AMT. RS.
Reserve	3,12,000	Stock	7,90,400
Creditors	2,08,000	Debtors	7,04,600
Uma's Capital	6,24,000	Cash in hand	52,000
Maya's Capital	6,76,000	Goodwill	4,16,000
Kama's capital	4,68,000	Building	2,73,000
		Machinery	52,000
	22,88,000		22,88,000

It is decided to distribute the cash as and when it was received. Uma agreed to work as a Receiver on a remuneration of Rs. 26,000 and to bear all expenses of realisation. When it was completed, it was realised that she had spent Rs. 5460 for expenses. Details of realisation of assets First realisation Rs. 2,34,000; 2nd realisation 6,29,200 and 3rd realisation 5,92,800

There was some stock of the book value Rs.46,800 lying unsold and it was taken over by Kama at an agreed value of Rs. 26,000

Prepare a statement showing distribution of cash under Excess capital Method

Q.P. Code: 22809

Q.5 A) What is monetary item as per AS 11? Give any 6 examples. (08)

B) Explain the steps to calculate partners share under excess capital method. (07)

OR

Q 5 .Write short notes: (Any 3) (15)

- 1) Payment Method of Purchase Consideration
- 2) Adjustments to Capital Balances in the books of Amalgamated Firm.
- 3) Preferential Liability
- 4) AS-11
- 5) Piecemeal Distribution

QP Code : 23784

[Time : 2½ Hours]

[Total Marks : 75]

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

1. (A) Match the following (any eight and rewrite the sentences) :—

Column I**Column II**

- | | |
|---|-----------------------------------|
| (a) An Indian Company | 1. Business Income |
| (b) Expenditure incurred by Employer for medical treatment of dependent mother-in-law of employee | 2. Not a Business Income |
| (c) Standard Deduction from Net Annual Value | 3. Capital Asset |
| (d) Arrears for Rent Received during the year | 4. Not a Capital Asset |
| (e) Voluntary Gift from Customer | 5. Ordinarily Resident |
| (f) Residential House | 6. Non Resident |
| (g) Interest Received | 7. Taxable Perquisite |
| (h) Stock in trade | 8. Tax Free Perquisite |
| (i) If set up of a company outside India | 9. 30% of Net Annual Value |
| (j) Subsidised lunch | 10. 33 1/3 of Net Annual Value |
| | 11. Standard Deduction Allowed |
| | 12. No standard Deduction Allowed |

- (B) State whether the following are true / false (any **seven**) :—

- (a) An association of person consists of all 7 persons.
- (b) Residential status depends only on nationality.
- (c) Income earned in India is not taxed in the hands of Non Resident Assessee.
- (d) If the business is commence on 1-9-16, the first previous year will end on 31-8-2016 for the assessment year 2017-18.
- (e) GAV for SOP in NIL.
- (f) The owner is not allowed to occupy more than one house for residence.
- (g) Municipal taxes are deductible on payment basis.
- (h) An assessee is defined under section 10.
- (i) Interest on borrowed capital is deductible on due basis.
- (j) Assessment includes reassessment.

[TURN OVER]

2. Binod is working in a limited company since 1st Nov 08 on a salary scale ₹5,000- 1,000-10,000-2,000-20,000 he is also entitled to D.A. of 60% of basic pay and CCA of 40% basic. He received a bonus of ₹ 30,000 and salary in lieu of Leave ₹20,000. Salary of one month becomes due on 5th of next month. He has following other incomes :

Particulars

Interest on Deposits under National Deposit Scheme	₹ 7,000
Interest on Deposits with Y Ltd.	6,000
Interest on Units of UTI	2,500
Interest on deposit with State Housing Board	1,500
Interest on 9 per cent Relief Bonds	2,200
Interest on deposits with IDBI	1,000
Dividend from RCC Inc. USA	5,000
Interest on Deposits under National Savings Scheme, 1993	4,300
He has deposited ₹14,000 in pension fund set up by LIC of India and he has paid medical insurance premium of ₹ 4,000.	

You are required to calculate his Total Income and tax liability for A.Y. 2017-18.

OR

2. Mrs. Lisa aged about 66 years is a Finance Manager of M/s. Lakme & Co. based at 15 Calcutta. She is in continuous service since 2004 and receives the following salary and perks from the company during the year ending 31-3-2017
- Basic Salary $(50,000 \times 12) = ₹ 6,00,000$
 - DA $(20,000 \times 12) = ₹ 2,40,000$
 - Bonus – 2 months Basic Pay
 - Commission 0.1% of the turnover of the Company. The turnover for the financial year was ₹ 15.00 crores.
 - Contribution of the Employer and employee to the PF Account ₹3,00,000 each.
 - Interest credited to P. F. Account at 8.5% – ₹ 60,000.
 - Rent free unfurnished accomodation provided by the company for which the company pays a rent of ₹ 70,000 per annum.
 - Entertainment Allowance – ₹ 30,000
 - Children's education allowance to meet the hostel expenditure of the children – ₹ 15,000 (Exempt ₹ 7,200)
 - Profession Tax paid ₹ 2,500

She makes the following payments and investments :

- Premium paid to insure the life of her major son – ₹ 15,000
- Medical Insurance Premium for self – ₹ 22,000 and spouse ₹ 5000.
- LIC Pension Fund – ₹ 18,000

Determine the Net Taxable income for the A.Y. 2017-18.

[TURN OVER]

3. Following is the receipts and payments of Dr. Rajiv for the year ended 31-3-17.

Particulars	₹	Particulars	₹
To Balance b/f		By Salaries	24,000
Cash-in-hand 1,500			
Cash-in-bank 3,000	4,500	By Bonus to staff	2,400
To Consulting fees	4,08,100	By Printing and Stationary	3,600
To Visit fees	14,500	By Rent of Clinic	12,000
To Gift from patients	40,000	By Electricity	11,150
To Rent from Subletting	95,000	By Car Expenses	30,000
To Fees form Air India	1,00,000	By Int. on car loan	15,000
To Interest on Bank FD	17,900	By Drawings	48,000
(TDS ₹ 2,100)		By Contribution to an app. College for Donation	8,000
		By Purchases	3,36,000
		By Misc. Expenses	2,850
		By Balance c/d	
		Cash in hand 54,000	
		Cash with bank 1,00,000	
		FD with Bank 33,000	1,87,000
Total	6,80,000		6,80,000

Additional Information :

- (1) **Purchases represent** : Medicines ₹ 50,000, Motor Car ₹ 2,56,000 and Books ₹ 30,000.
- (2) **Depreciation allowable** : Motor Car ₹ 25,600, Books ₹ 25,000 and Equipments ₹ 23,000.

You are asked to calculate his total income for A.Y. 2017-18.

[TURN OVER

3. Shri Babu Bhai submits the following P & L A/c of his business :

15

Particulars	₹	Particulars	₹
To Salaries & Wages	1,65,000	By Gross Profit	5,23,000
To Printing Charges	25,500	By Income from Company Deposit Scheme (Net) (T. D. S 20%)	8,000
To Travelling & Conveyance	16,000	By Interest on Bank Fixed Deposits	6,000
To Repairs	3,000	By Income from State Government Securities	5,000
To Life Insurance Paid	12,000	By Income tax refund	500
To Bank charges for collection of Income of Company Deposit Scheme	1,500		
To Bad Debts	32,000		
To Income Tax Paid	14,000		
To Donations	12,000		
To Provision for doubtful debts	11,500		
To Interest on loan taken for Company Deposit scheme	7,000		
To Depreciation	1,09,000		
To Net Profit	1,34,000		
	5,42,500		5,42,500

Note :

1. Depreciation allowed as per Income Tax Rules is ₹ 88,000.
2. Printing includes ₹2,500 paid for printing marriage invitation cards of his daughter.
3. Mr. Babu bhai has paid life insurance premium on the life policy ₹ 1,15,000 taken on the life of his wife.
4. Repayment of interest on loan taken for higher education is ₹ 60,000 and principal repayment is ₹ 25,000 for his son.

You are required to compute the Taxable Income of Mr. Babu Bhai for the A.Y. 2017-18.

4. Ms. Tanuja submits the following details for the A.Y. 2017-18.

15

Details of Income from House property.

Particulars	House I	House II
Fair Rent	30,000	30,000
Rent Received	39,000	36,000
Municipal Valuation	30,200	36,000
Municipal Taxes paid	5,000	4,000
Repairs	10,000	2,000
Insurance	9,000	3,000
Land Revenue	8,000	—
Ground Rent	7,000	4,000
Interest on Capital borrowed by mortgaging		
House I (Funds utilised for construction of House II)	4,800	—
Unrealised Rent		
F.Y. 2016-17	2,000	—
F.Y. 2015-16	—	8,000
Nature of Occupation	Let out for Residence	Let out for Residence

She invested ₹ 70,000 in PPF A/c, ₹ 10,000 in NSC and ₹ 20,000 as LIC premium paid for self and spouse. She also paid Medical Insurance Premium of ₹ 29,000 for self and spouse and ₹ 29,000 dependent parents.

OR

4. (A) Raghavan owned a residential house at Madurai, the original cost of which was ₹1,00,000. It was acquired on 1-9-2000. He sold the house on 1.6.2012 for ₹ 18,00,000 and purchased another house and 30-5-2014 at Tiruchi for ₹ 6,00,000. The second house at Tiruchi was sold by him for ₹ 18,00,000 on 30-6-2016. Discuss the impact of these transactions with regard to assessment to capital gain.

8

Cash inflation index :

2000-01	406
2012-13	852
2015-16	1081
2016-17	1125

- (B) Mr. Sandeep has earned the following income during the previous year ended 31st March, 2017.

Professional fees received in India for three months	₹ 18,000
Payment received in UK for services rendered in India	16,000
Income from business in Australia, controlled from India	14,000
Income from Agriculture in Bangladesh	12,000
Dividend from a foreign company received in UK	10,000
Amount brought into India out of the past untaxed profits earned in USA	18,000

Compute his total income assuming :

- (i) He is resident and Ordinarily Resident
 - (ii) Non-resident.
5. (A) Write any eight exempted Income U/s 10 of Income Tax Act 1961. 8
- (B) Enumerate any seven expenses not allowed in computing income from business under Income Tax Act 1961. 7
- OR**
5. Write short notes (any three) :— 15
- (i) Short term capital gain.
 - (ii) Gross Annual Value of House Property
 - (iii) Exemption U/S 10 (10AA) for leave salary
 - (iv) Residential status of an individual
 - (v) Person.

Time: 2:30 Hours

Marks: 75

Note : All question are compulsory

From Q2 to Q4. Attempt either "A" and "B" OR "C" and "D"

From Q5 do Either "A" or "B"

Q1A) fill in the blanks select the appropriate answer (any 8)

- (1) The search results are usually presented in a list and are commonly called _____
 a) Hits b) Bits c) Results d) None Of Them
- (2) Digital Signature falls under which act of legal recognition.
 a) Company ACT c) Industrial ACT
 b) IT ACT 2000 d) None Of Them
- (3) _____ is the largest Computer.
 a) Mini
 b) Mainframe
 c) Micro
 d) Super Computer
- (4) Password protection & file compression is performed by _____ program.
 a) Utility
 b) Operating system
 c) Programming language
 d) Application
- (5) _____ command is used to save an existing document.
 a) Save As
 b) Save
 c) Close
 d) Exit
- (6) Identify what is Mixed cell reference from the following : _____
 a) A2 b) \$A2 c) \$A\$2 d) None Of Them
- (7) _____ is a protocol developed by Master Card and Visa.
 a) SET b) SSL c) SHTTP d) PPP
- (8) Sending data through email is called _____
 a) uploading b) downloading c) attachment d) transfer
- (9) _____ is a feature of Ecommerce.
 a) Ubiquity
 b) Html
 c) Dbms
 d) Tally
- (10) DNS stand for _____
 a) Domain Net Server b) Domain Name Server
 b) Drive Name Server d) None Of Them

Q1B) State the following as True or False (Any 7)

- 1) Batch processing was introduced in second generation of computers.
- 2) BIT is the smallest unit represented by computer system.
- 3) DVI supports high resolution compare to VGA.
- 4) Ms PowerPoint animation option is available in View ribbon
- 5) TLD stand for TOP LEVEL DOMAIN
- 6) E-tailing is the selling of retail goods on the EXTRANET
- 7) Financial function PV stands for Present Volume
- 8) C2C Ecommerce is transaction between 2 business entities.
- 9) Hyperlink refers to link to a webpage
- 10) C2B means Consumer to Business

Q2 A) What is online hardware?

B) Write short notes on i) MODEM ii) ROUTERS

OR

C) What is a Computer? Describe features of a computer.

D) What is Memory? Explain the types of Memory

Q3A) Explain any 4 browser used in surfing the webpage?

B) What is EPS and its Types?

OR

C) Explain types of Internet Connection?

D) What is EDI and its advantages?

Q4 A) Compare Mozilla Firefox, GOOGLE chrome & Netscape.

B) List the steps to create Email id and to send a mail.

OR

C) Draw & describe EDI in detail.

D) What is Boolean Search Engine and Meta Search Engine

Q5 A) Explain the various threats involved in Ecommerce

OR

Q5B) Write short notes on: (Any 3)

- a) RING Topology
- b) Explain any three option of page layout tab in MS word
- c) Printers
- d) Intranet & Extranet
- e) Encryption and Decryption

Q. P. Code: 24039

Time: 2:30 Hours

Marks: 75

Note : All question are compulsory

From Q2 to Q4. Attempt either "A" and "B" OR "C" and "D"

From Q5 do Either "A" or "B"

Q1A) fill in the blanks select the appropriate answer (any 8)

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