

Question Paper Set of

S.Y.B.A.F. – Sem-IV

Regular Exam

University of Mumbai

April, 2019

SUBAF SEM-IV APRIL 2019

Q.P. Code: 33572

18/04/19

Maximum marks: 75

Duration: 2 ½ hrs.

Note:

1. Q. 1 is compulsory. Internal choice for remaining questions from Q.2 to Q.5.
2. Figures to the right indicate marks for the question. All questions carry equal marks.
3. Draw diagrams to explain the concept.

Q.1

A. Select one correct option from the following and re-write the sentence. (Any 8)

[08]

1. _____ is a supporting process. (HR, Taking orders, Strategic planning)
2. Creating a software that meets our requirement is _____ software. (Tailored, Readymade, Custom)
3. A business process includes _____. (Management process, Technical process, Logistic process)
4. _____ has impacted BPM. (Cloud availability, Virtualization, Technique)
5. _____ key is used to close a company in Tally. (F5, F1, F11)
6. The risk that information may contain a material error that may go undetected during the course of the audit is called as _____ risk. (Inherent, Audit, Control)
7. _____ is a benefit of business process automation. (Workflow engine, Marketing engine, Customer loyalty)
8. A _____ report summarizes the previous day's critical activities. (Adhoc, Pre planned, Key indicator)
9. Stock ledger is developed to answer _____ queries. (Instant, Adhoc, User)
10. _____ principle says BPM must be anchored in organization responsibilities. (Principle of Institutionalization, Principle of Holism, Principle of Enablement)

B. State whether the following sentences are true or false and re-write the sentence. (any 7)

[07]

1. MIS facilitates decision making.
2. Spreadsheet cannot be used to perform accountancy task.
3. Management process constitute the core business.
4. Book beginning date is same as financial year date.
5. Fresh books is a database accounting software.
6. GIS stands for Government Information System.
7. TPS organizes data from both external data sources and internal MIS.
8. Black box approach is an auditing approach in CIS environment.
9. Accounting software enables minimization of frauds.
10. Monthly payroll report is an example of payroll report.

Q.2

- A. Write steps to create Total Quality Management System. [08]
 B. What are the benefits of BPM? [07]

OR

Q.2

- C. List the advantages of computer in accountancy. [08]
 D. Draw and explain Business Process Management Life cycle. [07]

Q.3

- A. Differentiate between Manual and Computerized Accounting system. [08]
 B. State and explain need of Computerized Accounting System. [07]

OR

Q.3

- C. Explain the features of Tally ERP 9.0. [08]
 D. Explain the generic considerations before sourcing an accounting software. [07]

Q.4

- A. Explain MIS reports and outputs. [08]
 B. What are the approaches to develop an MIS? Explain using diagram. [07]

OR

Q.4

- C. Explain the concept of Marketing MIS. [08]
 D. Which factors will you consider while buying an MIS system? [07]

Q.5

- A. What is an IT Audit? Explain advantages of IT audit. [08]
 B. What are the steps involved in an application of CAAT. [07]

OR

Q.5

Write Short notes for the following: (Any three) [15]

- A. Objectives of audit.
 B. Role of stakeholders in BPM life cycle.
 C. Features of Business Process.
 D. Scope of audit in CIS environment.
 E. Reasons for failure of MIS

Time: 2 ½ Hours

Total Marks: 75

Note:

- 1) All questions are compulsory.
- 2) Figures to the right indicates full marks.

Q.1 A Multiple Choice questions: (Any 8 out of 10)

(08)

- a) Lower level managers mostly need _____ skills. (Conceptual, Human, Technical)
- b) Full form of CPM is _____. (Critical Path Method, Centralised Planned Management, Coordinated Procedure Management)
- c) Analysis of _____ environment indicates company's strengths and weaknesses. (internal, external, concurrent)
- d) Recruitment is a _____ function. (positive, negative, neutral)
- e) _____ interview is taken when an employee resigns from the job. (Panel, Stress, Exit)
- f) Division of work leads to _____. (order, specialization, direction)
- g) A _____ is the one who takes decisions by himself and expects subordinates to obey his orders. (autocratic leader, democratic leader, consultative leader)
- h) If the activities of an organisation are grouped as production, marketing, finance, personnel etc, it is known as departmentation by _____. (process, area, functions)
- i) _____ reduces the burden on top management. (decentralization, centralization, penetration)
- j) _____ prevents delay in action (Gangplank , Order , Equity)

Q.1 B State whether the following statements are True or False: (Any 7 out of 10)

(07)

- a) Departmentation is needed for specialization.
- b) Decentralisation brings dispersal of decision making powers.
- c) A good control system is always forward looking.
- d) Dual command is always dangerous.
- e) Management is doing the work.
- f) Recruitment is the process of choosing right person for the right job.
- g) Exception principle reserves complex problems for superiors.
- h) Directing does not follow the chain of command.
- i) A good plan should be flexible in nature.
- j) Decision making is situational.

Q.2 A) What is management? Explain its nature.

(08)

Q.2 B) Distinguish between Top level and Middle level of management.

(07)

OR

Q.2 C) What are the factors affecting staffing?

(08)

Q.2 D) Explain significance of motivation.

(07)

Q.3 A) Explain the principles of organising.

(08)

Q.3 B) What is controlling? Explain its importance.

(07)

OR

Q.3 C) Define delegation of authority. Explain its importance and also barriers affecting effective delegation of authority?

(15)

Q.4 A) What is coordination? Explain its importance.

(08)

Q.4 B) "Situational Leadership is the best leadership style." Explain.

(07)

OR

Q.4 C) Explain Henri Fayol's principles of management.

(15)

Q.5 A) What is planning? Why planning is important?

(08)

Q.5 B) Distinguish between Recruitment and Selection.

(07)

OR

Q.5 C) Write short notes Any 3 out of 5

(15)

- 1) Bases of departmentation
- 2) Centralisation of authority v/s Decentralisation of authority
- 3) Decision making
- 4) External sources of recruitment
- 5) Functions of management

SUBAF SEM-IV APRIL 2019

26/04/19

(2½ Hours)

[Total Marks:75]

- Notes: 1) All questions are compulsory.
2) All questions carry 15 Marks each.

Q-1) Objective Questions :

A) Fill in the blanks: (Any eight)

- 1) Foreign company means any company or body corporate incorporated _____ India (15)
- 2) Foreign company has to exhibit outside every officer of the company, the name of the company and the _____ of its incorporation. (08)
- 3) In case of further issue of shares in case of public company, shares shall be offered to the _____ of the company
- 4) A private company may issue securities through _____
- 5) _____ year period is a validity period for shelf prospectus.
- 6) There are _____ accounting standards.
- 7) Private placement means any offer of securities to a _____ group of person
- 8) The number of person to whom the offer is made by way of private placement cannot exceed _____ or such higher number as may be prescribed.
- 9) Association clause is also known as _____ clause.
- 10) Any shares issued by a company at a discounted price shall be _____.

B) Match the columns: (Any seven)

(07)

COLUMN:A	COLUMN:B
1) Pre-incorporation contract means	a) Royal British bank vs. Turquand
2) Remuneration of promoter comes from	b) Movable property of the company
3) Memorandum of association	c) commission on the shares sold
4) Doctrine of indoor management	d) promoters contract with third person
5) Shares and debentures are	e) is a fundamental documents
6) Sweat equity shares	f) the securities premium account
7) A company may issue fully paid up bonus share	g) introduced by 2013 act
8) Private placement provision	h) Shares are issued at discount
9) Private company	i) Maximum 15 director
10) Public company	j) Minimum paid up capital one lakh

Q.2. Answer the following

- (a) Explain Lifting of Corporate Veil. (8)
 - (b) What are the essential features of Company. (7)
- OR**
- (p) Explain Provisions of Transfer and Transmission of Shares (8)
 - (q) Explain type of New Companies introduced under Companies Act, 2013. (7)

Q.3. Answer the following

- (a) Distinguish between Private and Public Company. (8)
- (b) What are the Advantages and Disadvantages of Private Company. (7)

OR

- (p) Who is Promoter and explain duties and liabilities of promoter. (8)
- (q) Explain the registration process of Company under Companies Act, 2013. (7)

Q.4. Answer the following

- (a) What is Memorandum of Association and explain the alteration of clauses of MOA. (8)
- (b) Explain Doctrine of Ultra vires. (7)

OR

- (p) Explain Doctrine of Constructive Notice and Doctrine of Indoor management. (8)
- (q) What do you mean by Shares and what are the different type of Shares? (7)

Q.5) Explain Prospectus and explain Content of Prospectus.

OR

Q.5) Short Note : (Any 3)

- (a) Indian Depository Receipt
- (b) Share Certificate
- (c) Nomination
- (d) Private Placement
- (e) Article of Association

SUBAF SEM-IV APRIL 2019

Q. P. Code: 3

27/04/19

Duration: 2.5 hours

Mark

Instructions:

All questions are compulsory.

Figures to right indicate full marks.

Use of simple calculator is allowed

Q.1)(A) Fill in the blank with appropriate options given below. (Any 8)

(08)

- Research process starts with _____.
(Literature survey/Selection of problem/Sampling)
- Research maintains _____.
(Subjectivity/Objectivity/Connectivity)
- _____ hypothesis lie at the lowest level of abstraction.
(Complex/Analytical/Common sense)
- Research design gives _____ to the Researcher.
(Money/Confidence/direction)
- Editing is initial _____ of data to check its accuracy.
(Scrutiny/classification/analysis)
- Sample is a small representative of _____.
(Total/Whole/majority)
- Machine tabulation is _____.
(Economical/Costly/Easy)
- _____ report is also called as report for executives.
(Interim/Summary/popular)
- Analysis and interpretation of data are _____.
(exactly opposite/closely connected/remotely related)
- Research abstract is a summary of _____ report.
(Technical/Interim/popular)

(B) State whether the following statements are True or False. (Any 7)

(7)

- Defining the the problem of research is the objective of research. T
- Research studies complex human behaviour. T
- Empirical research is not data based research. T
- Research design helps to monitor research expenditure. T
- Descriptive research design generates new ideas. F
- Research design eliminates bias and marginal errors. F
- Data form the basis for testing the hypothesis formulated in a study. T
- Preparation of report is the final stage of the research. T
- Bibliography is optional component of a research report. F
- Tabulation of data means orderly grouping of data in row and column. T

Q.2) a) Explain the Importance of Research in Accounting and Finance.

(8)

b) Describe the main features of Research.

(7)

OR

Q.2) a) What are the Steps involved in formulating Research problem?

(8)

b) State the Purpose of Review of Literature.

(7)

Q.3) a) What are the different types of Research Design?

(8)

- b) Following are the temperature reading in May 2001 for two cities in Maharashtra. (7)

City A: 30, 29.5, 34, 31, 33, 32, 36.5

City B: 31, 36, 37, 35, 36, 34, 33

Find range and coefficient of range for both the cities.

OR

- Q.3) a) Calculate coefficient of correlation between the number of years of service and the salary of 8 employees in a small factory. (8)

No. of years	5	10	10	15	15	20	25	30
Salary in (100 Rs.)	15	17	17	19	21	21	19	17

- b) Explain the Sources of Hypothesis. (7)

- Q.4) a) Calculate the Quartile Deviation for the sales of 50 shops. (8)

Sales (in 100 Rs.)	100-110	110-120	120-130	130-140	140-150	150-160
No. of shops	4	7	20	9	6	4

- b) Explain the Stages in Data Processing. (7)

OR

- Q.4) a) Explain the Benefits and Limitations of Primary Data. (8)

- b) Find the Arithmetic Mean and Median from the following data giving the speed of 60 typists: (7)

Speed (words per minute)	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79
No. Of typists	5	8	15	12	8	8	3	1

- Q.5) a) Explain briefly the various Techniques of Interpretation. (8)

- b) Explain the Importance of Research Report writing. (7)

OR

- Q.5) Write short notes on (Any 3) (15)

- Basic and Applied Research
- Important of Hypothesis
- Telephone interview
- Graphic presentation of data
- Technical report

SUBAF

SEM-IV

APRIL 2019

02/05/2019

Time : 2 ½ Hours

Marks : 75

- NB : 1) Question no.1 is Compulsory.
 2) Attempt Q.2 to Q.5 with internal choice.
 3) Figures to right indicate full marks.
 4) Use of simple calculator is permitted.

Q.1. (A) State whether the following statements are true or false. (Attempt any Eight).

(08)

1. Fictitious balances are shown as assets.
2. Interim dividend is declared by board of directors.
3. Horses are disclosed under PPE.
4. Partly paid preference shares cannot be redeemed.
5. Capital reserve is Non divisible profit.
6. Preference shares can be redeemed out of profit only.
7. Fixed asset should be translated at the rate on the date of transaction.
8. Depreciation on tangible asset is translated at the exchange rate on the date of purchase.
9. Loss prior to incorporation is debited to goodwill account.
10. Post incorporation profit is available for dividend.

(B). Match the Following Columns (Attempt Any Seven)

(07).

Column A	Column B
1. Dividend to shareholders	a) Profit & Loss Appropriation A/c
2. Audit Fees	b) Time Ratio
3. Pre incorporation Profit	c) Capital Reserve
4. Exchange difference	d) Charged to P & L
5. Non-Monetary items	e) Historical cost
6. Insurance Policy	f) Fund Investment
7. Debenture redemption	g) Not reduction of capital
8. Mango Trees	h) Bearer Plants
9. Proposed Dividend	i) Contingent Liability as a note
10. Issue of Bonus shares	j) Share Capital

Q.2. From the following particulars furnished by Elegant Ltd. Prepare the balance-sheet as on 31st March, 2019 as required by Part-1, Schedule III of the companies Act, 2013.

(15)

Particulars	Debit (Rs.)	Credit (Rs.)
Equity Share capital (Face Value of 100 each)		50,00,000
Call in arrears	5,000	
Land & Building	27,50,000	
Plant & Machinery	26,25,000	
Furniture	2,50,000	
General Reserve		10,50,000
Loan From State Financial Corporation		7,50,000
Stock		
Raw Materials	2,50,000	
Finished Goods	10,00,000	

Provision for Taxation		3,40,000
Sundry Debtors	10,00,000	
Advances	2,13,500	
Proposed Dividend		3,00,000
Profit & Loss Account		5,00,000
Cash at bank	1,50,000	
Preliminary Expenses	12,35,000	
Unsecured Loan		6,05,000
Sundry Creditors (for goods and expenses)		10,00,000

The following additional information is also provided:

1. Preliminary expenses included Rs 25,000 Audit Fees and Rs 3,500 for out of pocket expenses paid to the auditors.
2. 10,000 equity shares were issued for consideration other than cash.
3. Debtors of Rs 2,60,000 are due for more than 6 months.
4. The cost of the assets were:
Building Rs 30,00,000, Plant Machinery Rs 35,00,000 and Furniture Rs 3,12,500.
5. The balance of Rs 7,50,000 in the Loan account with State Finance Corporation is inclusive of Rs 37,500 for the interest accrued but not due. The loan is secured by hypothecation of plant & Machinery.
6. Balance at bank Rs 10,000 with Global Bank Ltd, which is not a scheduled bank.

OR

Q.2. (A) Show necessary Journal entries and disclosure of relevant items in final account.

(08)

Trial Balance as at 31st March, 2019.

Particulars	Debit (Rs)	Credit (Rs)
Advance Income Tax 2017-18	2,00,000	
Advance Income Tax 2018-19	1,30,000	
Provision for Income Tax 2017-18		1,80,000

Adjustments:

1. The Income Tax Assessment for 2017-18 has been completed during the year and the tax liability has been fixed at Rs 2,20,000. No effect has been given to this in the accounts.
2. Provision for Income tax to be made for the year 2018-19 is Rs 1,20,000.

(B) Show the presentation of the following items under the appropriate notes to account forming part of the balance sheet of Rahul Ltd as on 31st March, 2019.

(07)

Particulars	Amount (Rs)
1. General Reserve (Opening Balance)	50,00,000
2. Debenture Redemption Reserve (Opening Balance)	10,00,000
3. Profit & Loss A/c (Opening Balance)	30,00,000
4. Net Profit for the year (Before Transfer & Appropriations)	40,00,000
5. Transfer to general reserve	10,00,000
6. Transfer to Debenture Redemption Reserve	5,00,000
7. Interim Dividend paid	1,00,000
8. Dividend declared after the balance sheet date	4,00,000

Q3. A company issued Rs 1,80,000 redeemable preference shares at par on 1st Jan, 2015, redeemable at the option of the company on or after 31st Dec, 2016 in whole or part. (15)

The following redemption were made out of profit:

On 30th June, 2017: Rs 60,000, On 30th June, 2018: Rs 40,000

In December, 2018 the company issued equity shares of the face value of Rs 60,000 at a premium of 2% and on 31st December in the same year, it redeemed the balance of preference shares.

Pass the necessary journal entries to record the above transactions.

OR

Q.3. Hero Honda Ltd. Issued 12,000 9% debenture of Rs 100 each at a premium of 10% redeemable at par on 1st April 2013. The debenture are redeemable at the end of 5 years. Interest is payable on 31st March and accounting years ends on 31st March. Every year required amount is transferred to redemption reserve. (15)

Pass journal entries in the books of Hero Honda Ltd.

Q.4. ABC Ltd. Was incorporated on 1st April, 2015 to take over the business of M/s ABC & Co. with effect from 1st Jan, 2015. The Company prepared its first profit and loss account on 31st March, 2016 which was as follows: (15)

Particulars	Amount (Rs)
Sales	2,70,000
Cost of Goods Sold	1,80,000
Salaries	13,000
Depreciation	2,000
Selling Expenses	18,000
Office Expenses	4,000
Formation Expenses	2,000
Rent	8,700
Interest	13,500
	2,41,200
Profit	28,800

Additional Information:

1. The company was able to double the average monthly sales from 1st April, 2015 but the salaries trebled from that date.
2. The company occupied additional space from 1st July, 2015, for which the rent was Rs 300 P.m.
3. 50% of the selling expenses are fixed.
4. The purchase consideration was agreed at Rs 50,000. It was settled on 1st April, 2015, with interest at 12% P.a. The company borrowed Rs 1,00,000 at 12% p.a. to pay the purchase consideration and for the working capital.

Find out pre and post incorporation results.

OR

Q.4. Tom Ltd. Had a branch at New York. Its Trial Balance as at 30th September 2013:

(15)

Particulars	Dr.US \$	Cr.US \$
Cash in hand and bank	60	
Debtors	240	
Creditors		170
Head office A/c		1,140
Trade expenses	20	
Rent	20	
Salaries	60	
Wages	30	
Goods from head office	800	
Purchases	2,400	
Sales		4,160
Stock (1.10.2012)	560	
Plant and Machinery	1,280	
Total	5,470	5,470

Adjustments	Amount(Rs)
1.Stocks on 30.09.2013	\$ 520
2.H.O A/c shows good sent to branch at	Rs 39,400
3. H.O A/c shows an amount due from branch	Rs 43,000
4. Depreciation Plant and Machinery By	10 %
5.Exchange rates:	
Fixed Asset	1 \$=Rs 38
Opening Rate	1 \$=Rs 39
Closing Rates	1 \$=Rs 41
Average Rates	1 \$=Rs 40

Q.5. (A) Explain the basis of allocation of expenses with example in brief?

(08)

(B) Explain the provision of companies Act, 2013 about redemption of preference shares?

(07)

OR

Q.5. Write a short note on (Attempt any Three)

(15)

1. Capital Work in progress.
2. Divisible profit.
3. Depreciation and amortisation expenses.
4. Integral Foreign operation
5. Debenture Redemption Reserve

S4BAF SEM-IV APRIL 2019

03/05/19

(2 ½ Hours)

Marks : 75

NOTE: 1. Attempt all Questions

2. Each Question carries 15 marks with internal choice.

Q1. (A) State whether the following statements are true or false: (Any 8) (8 marks)

1. Owed funds are internal source of funds.
2. Loss due to fire is non-operating income.
3. Discount on issue of Debentures expense not written off is a fictitious asset.
4. Temporary working capital is required for seasonal products.
5. Loan taken is financing activity.
6. Management accounting is also known as corporate accounting.
7. Sale of land is cash inflow from financing activity.
8. Debentures are borrowed funds.
9. Bills payable is non-quick liability.
10. Goodwill is a fictitious asset.

(B) Match the column: (Any 7)

(7 marks)

1	Stock	A	Non-operating item
2	Bank overdraft	B	Selling & distribution expense
3	Standard Liquid ratio	C	Total Current Assets
4	Issue of shares	D	Intangible assets
5	Standard current ratio	E	Combine ratio
6	Debt service ratio	F	Financing activity
7	Patent and trademarks	G	1:1
8	Gross working capital	H	2:1
9	Loss on sale of furniture	I	Non-quick current liability
10	Advertisement	J	Non-quick current asset

Qs 2 From the following information prepare Revenue statement in vertical form. (15marks)

Particulars	Rs.
Closing Stock	40,000
Purchases	2,00,000
Postage and telegram	5,000
Sales	6,20,000
Carriage outward	5,000
Opening stock	50,000
Profit on sale of investment	5,000
Office rent	5,000
Carriage inward	20,000
Wages	72,000
Octroi	5,000
Office staff salaries	40,000
Audit fees	20,000
Advertisement	25,000
Finance expenses	25,000
Loss on sale of furniture	30,000
Depreciation:	
- Plant and machinery	15,000
- Furniture	16,000

OR

Q.2 The following is a Balance Sheet of Z Ltd. as on 31st March, 2019:

(15 marks)

Liabilities	Rs	Assets	Rs
Equity Share Capital	2,50,000	Land and Building	3,00,000
9% Preference Share Capital	2,50,000	Plant & machinery	1,00,000
General reserve	1,00,000	Furniture and Fixtures	1,00,000
10% Mortgage Loan	2,50,000	Stock	1,50,000
Accounts Payable	1,00,000	Debtors	2,00,000
Provision for Taxation	50,000	Cash and Bank balances	50,000
		Profit and Loss A/c	70,000
		Preliminary expenses	10,000
		Discount on Issue of Debentures	20,000
Total	10,00,000	Total	10,00,000

The following further information is also given for the year:

Total Sales-Rs 8,00,000

Cost of goods sold Rs.4,00,000

Opening stock Rs.50,000

Out of total sales 20% are cash sales.

Calculate: 1. Current ratio

2. Capital gearing ratio

3. Proprietary ratio

4. Stock turnover ratio

5. Gross profit ratio

Qs3 .Following is a Balance Sheet of A Ltd as on 31.03.2019

(15 Marks)

LIABILITIES	31.03.2019 (Rs)	ASSETS	31.03.2019 (Rs)
Equity share capital	2,50,000	Land & Buildings	2,80,000
12% Preference share capital	1,50,000	Plant & Machinery	1,20,000
Bank Loan	50,000	Furniture	60,000
Reserves	25,000	Debtors	40,000
Profit & Loss A/c	75,000	Stock	20,000
Creditors	20,000	Bank	10,000
Bank overdraft	30,000	Cash	20,000
		Bills receivables	50,000
	6,00,000		6,00,000

Prepare common size Balance Sheet Statement.

OR

Qs.3 Rose manufacturing Ltd. presents the following information for 2018 - 2019: (15 marks)

Estimated yearly production and sales = 60,000 units

Estimated cost element p.u.:

Raw materials Rs. 5, Wages Rs. 3, Overheads Rs. 2, Selling price Rs. 12.

Further information:

1. The company extends 2 months credit to the debtors
2. The company maintains 2 month stock of raw materials.
3. The company maintains 1 month stock of finished goods
4. The processing period is 1 month
5. The company is allowed 3 months credit by the suppliers
6. Wages and overheads are paid 1 month in arrears
7. The cash and bank balance is expected to be equal to Rs. 10,000.
8. There is regular purchase, production and sales cycle.
9. During production, process wages and overheads accrue evenly.

Prepare statement showing an estimate of working capital.

Qs.4 Following is Balance Sheet of Rath Ltd as on 31st March:

(15 Marks)

LIABILITIES	31.03.2018 Rs	31.03.2019 Rs	ASSETS	31.03.2018 Rs	31.03.2019 Rs
Equity Share Capital	10,00,000	12,00,000	Land & Buildings	10,00,000	14,00,000
Preference Share Capital	8,00,000	10,00,000	Equipment	5,00,000	4,50,000
Reserves & surplus	2,00,000	2,50,000	Plant & machinery	5,00,000	4,50,000
Debentures	2,00,000	1,00,000	Furniture	3,00,000	4,00,000
Profit & Loss A/c	2,50,000	3,50,000	Stock	2,00,000	3,00,000
Creditors	1,00,000	1,50,000	Debtors	1,00,000	1,50,000
Provision for tax	20,000	30,000	Cash	30,000	15,000
Bills payable	80,000	1,00,000	Bank	20,000	15,000
	26,50,000	31,80,000		26,50,000	31,80,000

Other details:

1. Tax paid during the year Rs.15,000
2. Depreciation on equipment Rs.50,000, on furniture Rs.15,000 and on plant & machinery Rs.50,000.

Prepare cash flow statement for the year ended 31.03.2019.

OR

Qs 4. The following are the particulars of Montex Ltd for the year 2018-19. Calculate the working capital estimate for an annual sales of 52,000 units.

(15 marks)

Cost sheet (per unit)	Rs
Raw material	20
Wages	10
Overheads	10
Profit	10

1. Production and Sales takes place evenly throughout the year.
2. Suppliers give 4 weeks credit.
3. Raw material remains in stock for 4 weeks
4. Processing period is of 1 week wherein raw material, wages and overheads accrue evenly.
5. Finished goods remain in stock for 5 weeks.
6. Customers are given 4 weeks credit

7. Time lag in payment of overheads is 1 weeks.
8. Time lag in payment of wages is 2 weeks
9. Cash and bank balance is maintained at Rs 22,000.

Qs 5 (A) Define management accounting. Give its scope.

(8 marks)

(B) Distinguish between Financial Accounting and Management Accounting.

(7 marks)

OR

Qs.5 Write Short Notes on: (any 3)

(15 marks)

1. Working capital and types
2. Liquidity ratios
3. Cash flow from investing activities
4. Operating cycle
5. Importance of Management Accounting.

SUBAF SEM IV APRIL 2019

(2½ Hours)

[Total Marks: 75]

N.B.

1. All questions are compulsory.
2. All questions carry 15 marks.
3. Figures to the right indicate full marks.
4. Use simple calculator.
5. Working should form part answer.

Q1(A) State whether the following statements are True or False:-(any 8) (08)

1. A firm cannot pay remuneration to its partners if it has incurred loss.
2. Revocable transfer gives the transferor right to re-assume power of the asset.
3. There cannot be a loss under the head 'salaries'.
4. Belated Return can be submitted at any time before the end of the relevant assesment year or before the completion of the assesment whichever is earlier.
5. Revised return can be filed before the expiry of one year from the end of the relevant assessment year or before the completion of assessment whichever is earlier.
6. The person responsible for deducting TDS is the person who pays the amount.
7. Advance tax is also payable on capital gains income earned by the assessee.
8. Interest u/s 234B is levied if the advance tax that has been deposited is insufficient.
9. It is a universally accepted principle that same income should not be subjected to tax twice.
10. Income on which tax has been paid in foreign country is eligible for claiming relief u/s 91.

(B) Fill in the blanks with correct option (Any 7) (07)

1. _____ aims to prevent tax avoidance by diversion of income.
 - a) Double Taxation
 - b) DTAA
 - c) Clubbing of Income
 - d) Both (b) and (c)
2. An individual is entitled to an exemption of _____ in respect of income of minor child.
 - a) Rs.150 per child p.m.
 - b) Rs.15,000
 - c) Rs. 1,500 per month
 - d) Rs.1,500 per minor child
3. Speculation loss can be set off against _____.
 - a) Short term capital gain
 - b) speculative Income
 - c) Both (a) and (b)
 - d) none of the above
4. Unabsorbed short-term or long-term capital loss can be carried forward upto _____ succeeding assessment years.
 - a) 4
 - b) 6
 - c) 8
 - d) 10
5. In case a firm has a book profit of Rs.2,00,000, maximum remuneration allowable as deduction is _____.
 - a) Rs.1,50,000
 - b) Rs.1,20,000
 - c) Rs.1,80,000
 - d) Rs.1,70,000
6. The due date for filing return of income for an assessee whose accounts are required to be audited is _____.
 - a) 30th June
 - b) 31st July
 - c) 31st August
 - d) 30th September

7. The assessee gets ____ days period u/s 139 (a) to rectify the mistake in a defective return.
 a) 5 b) 10 c) 15 d) 20
8. An individual and HUF whose books of accounts are subject to ____ in the preceding financial year is liable to deduct tax at source.
 a) Internal audit b) Statutory audit
 c) Tax audit d) Revenue audit
9. TDS is to be deducted @ ____ U/s 194 A.
 a) 30% b) 15%
 c) 5% d) 10%
10. ____ means taxing the same income twice in the hands of an assessee.
 a) Clubbing of Income b) Double Taxation
 c) Either (a) or (b) d) Both (a) and (b)

Q.2(A) From the following Income and Expenditure Account of Dr. Kamble compute his total taxable income and tax liability for Assessment Year 2018-19.

Income & Expenditure Account for the year ended 31-3-2018

(15)

Expenditure	Rs.	Income	Rs.
To Staff Salaries	1,20,000	By Consulting fees	4,00,000
To Dispensary Expenses	67,500	By Visit Fees	1,00,000
To Dispensary Rent	60,000	By Gift from Patients	40,000
To Purchase of Medicines	45,000	By Sale of Medicines at the Dispensary	80,000
To Income Tax	35,000	By Rent From House Property	1,20,000
To Professional Fees to Doctors	22,000		
To Car Expenses (For Profession)	36,400		
To Membership Fees	2,000		
To Municipal Tax for Rented House	12,000		
To Interest on Housing Loan for Rented House	18,000		
To Printing Charges	4,000		
To Depreciation	48,000		
To Charity	1,500		
To Surplus for the year	2,68,600		
	7,40,000		7,40,000

Additional Information:

- Gift from patients include Rs.1,000 from his father in personal capacity.
- Depreciation as per Income Tax Rule Rs.45,000.
- He paid medical insurance premiums of Rs.8,000 by cheque.
- He purchased National Savings Certificates of Rs.30,000 and paid Life Insurance Premium of Rs.60,000.
- He paid Rs.20,000 to Nationalised Bank towards Principal Repayment of Housing Loan.

OR

Q.2(B) Income and Expenditure A/c of Lawyers & Co. for the year ending March 31, 2018- (15)

Particulars	Rs.	Particulars	Rs.
To Expenses	1,50,000	By Professional Receipts	3,80,000
To Depreciation	20,000	By Other Fees	90,000
To Remuneration to Partners	1,50,000		
To Interest on Capital to Partners @ 20 percent	20,000		
To Net Profit	1,30,000		
	4,70,000		4,70,000

Other Information:

1. Expenses include Rs.18,000 and Rs.12,000 paid in cash as brokerage to a single party on a single day.
 2. Depreciation calculated as per section 32 is Rs.40,000.
- Compute the Total income of the firm and also compute tax payable by the firm for Assessment year 2018-19.

Q.3 (A) Mrs. X has Tax Liability of Rs.4,90,000 for Previous Year 2017-18. She has paid advance tax as given below: (07)

- Upto 15th June 2017 - Rs. Nil
 Upto 15th Sept. 2017 - Rs. 30,000
 Upto 15th Dec. 2017 - Rs. 80,000
 Upto 15th March 2018 - Rs. 1,00,000

Balance amount of tax was paid on 10th December 2018, while filing the return.

Compute her liability for the Assessment Year 2018-19 for interest under section 234A, 234B and 234C.

Q.3 (B) During the previous year 2017-18 the following transactions occurred in respect of Mr. A (08)

- (a) Mr. A had a fixed deposit of Rs.5,00,000 in Bank of India. He instructed the bank to credit the interest on the deposit @ 9% from 1-4-2017 to 31-3-2018 to the savings bank account of Mr. B, son of his brother, to help him in his education.
- (b) Mr. A holds 75% share in a partnership firm. Mrs. A received a commission of Rs.25,000 from the firm for promoting the sales of the firm. Mrs. A possesses no technical or professional Qualification.
- (c) Mr. A gifted a flat to Mrs. A on April 1, 2017. During the previous year the flat had income as computed under the head House Property Rs.52,000 to Mrs. A.
- (d) Mr. A gifted Rs.2,00,000 to his minor son who invested the same in a business and he got an income of Rs.20,000 from the investment.
- (e) Mr. A's minor son derived an income of Rs.20,000 through a business activity involving application of his skill and talent. During the year Mr. A got a monthly pension of Rs.10,000. He had no other income. Mrs. A received salary of Rs.20,000 per month from a part time job.

Discuss the tax implications of each transaction and compute the total income of Mr. A, Mrs. A and their minor child.

OR**Q3 (C)** Ascertain the Amount of T.D.S for the following independent situation (08)

- 1) State Bank of India has to pay interest of Rs. 4,00,000 to Mr. Arun.
- 2) Aperi Rubber Ltd has to pay rent for a warehouse owned by state Government.
- 3) Aperi Rubber Ltd has to pay a sum of Rs. 4,00,000 to an engineer.
- 4) Mr. Ajay has to pay Rs. 19,000 as Professional charges.

Q.3(D) Tax payable by Ms. Smita is Rs. 12,570 and T.D.S is Rs 1000. Calculate Advance Tax Payable on the respective due dates. (07)

Q.4.(A) For the assessment year, 2018-19. Mr. Ganesh a non-resident individual, furnishes the following information: (15)

Particulars	Rs.
Business Income	1,15,000
Income from House Property	32,000
Long Term Capital Gains	2,00,000
Short Term Capital Gains	4,05,000
Income from owning and maintaining race horses	2,15,000
Income from card games	1,10,000

Besides, Mr. Ganesh has the following brought forward losses/ allowances.

Particulars	Rs.
Brought forward business loss of the assessment year 2012-13	1,21,000
Unabsorbed depreciation allowance of the assessment year 2011-12	1,05,000
Long Term Capital Loss in respect of the assessment year 2015-16	3,45,000
Brought forward loss from the activity of owning and maintaining race horses of the assessment year 2014-15	2,75,000
Speculation losses of the assessment year 2013-14	50,000

Determine the Gross Total Income of Mr. Ganesh for the assessment year 2018-19

OR

Q.4(B). Roshan a resident Indian, has derived the following incomes for the previous year relevant to the assessment year 2018-19. (15)

Particulars	Amount (in Rs.)
1. Net Income from Profession in India	6,00,000
2. Coaching Receipts received in foreign country X (tax paid in country X for his income in equivalent Indian rupees 60,000)	6,00,000
3. Salary received from foreign country Y (Tax paid in country Y @ 20%) converted in Indian rupees	1,00,000
4. Fixed Deposit Interest from Indian Banks	2,00,000

Roshan wishes to know whether he is eligible to any double taxation relief and if so, its quantum. India does not have any Double Taxation Avoidance Agreement with Countries X and Y.

Q5. (1) Discuss circumstances under which the return of Income is considered defective. (8)

(2) Explain any five provisions of set off and carry forward. (7)

OR

Q5. Write short notes:- (any 3) (15)

- Remuneration to Partner u/s 40(b)
- Advance tax on Capital Gains
- Tax Evasions
- Distinguish between interest u/s 234B and interest u/s 234C
- Provision of DTAA