Question Paper Set of

T.Y.B.A.F. – Sem-VI

Regular Exam

University of Mumbai

April, 2018

Sem:- VI
May:- 2018
Direct Tax.

B.A.F.

Q. P. Code: 50156

Time: 2:30 Hours **Marks: 75**

Q.1] (A) Match the following: (Any Eight) **(8 marks)**

1	Revised Return	A	Exemption of 1500/-
2	Income of minor child	B	30^{th} September
3	Section 60	C	Long term capital Gain
4	Long term capital loss	D	Omission or wrong statement is discovered
5	Section 194 I	E	Payment to Resident contractor
6	Section 194 C	F	Irrevocable Transfer
7	Due date of filing of return of company	G	Speculative Income
8	Dividend from Indian company	H	15^{th} September
9	Speculative loss	I	Exempt u/s 10
10	Due date of payment of Advance Tax for an individual	J	TDS on rent

Q.1] (B) Fill in the blanks: (Any seven) **(7 Marks)**

1. Speculative loss can be set-off against_________.
   a) Speculative Income b) Business Income c) Income from other sources.
2. Capital loss can be carried for ________assessment year.
   a) 16 b) 8 c) 4.
3) Carried forward business loss can be set-off against __________.
   a) Any head of income b) business profit only c) all heads except salary.
4) _______aims to prevent tax avoidance by diversion of income.
   a) Double Taxation b) Clubbing of income c) Set-off.
5) Minor child includes ________Child.
   a) Step b) neighbour c) Orphan.
6) The prescribed form of Income tax return for company is __________.
   a) ITR 1 b) ITR 6 c) ITR 4 .
7) Long term capital loss can be set-off against_______.
   a) Long term capital Gain b) Speculative Income c) Short term capital gain.
8) Transfer of income without transfer of asset would be taxable in the hands of__________.
   a) Transferor only b) Transferee c) the person who has higher income .
9) How many times revised return can be revised?
   a)one time b) two times c) three times d) any number of times as nothing specified in the Income Tax Act regarding this.
10) Company assesses are required to pay advance tax in ____________.
   a) Two installments b) three installments c) four installments.

Q.2] (A) Mr. Mohan provides the following particulars of the assessment year 2017-18: **(8 Marks)**

Particulars	Rs.in Lakhs
Income from house property	3.00
Income from other source	2.00
Income from business	5.00
Loss under the head 'Income from other sources' of Mrs. Mohan (to be clubbed with the income of Mr. Mohan)	1.00
Salary received by Mrs. Mohan (to be clubbed with the income of Mr. Mohan)	6.80
Professional income of Rohan (minor child of Mr. Mohan) from singing	2.00

Compute the total income of each family member.

Q.2] (B) Mr Sanjay and minor son Rohan provide you with the following information for the year ended 31-03-2017 (7 Marks)

Particulars	Mr. Sanjay	Master Rohan
Income from Salary	1,00,000	Nil
Income from Profession (Professional fees received as a Artist)	Nil	25,000
Interest on Fixed Deposits	10,000	2,000

Calculate net taxable income of Mr. Sanjay and Master Rohan for Assessment year 2017-18 applying the provisions of clubbing of income.

OR

Q.2] Compute the taxable income of Mr. Dipesh for the Assessment year 2017-18: (15Marks)

Particulars	Rs
Net Income from Chemical business	1,00,30,000
Interest on Saving Bank Account	900
Share of Profit from a Partnership Concern	5,22000
Short term capital Gain on Land	24,000
Short-term Capital Gain on House Property	1,20,000
Share of income from HUF in which he is a Member	2,82,000
Winning from Horse Race	10,000
Interest on Bank Deposits:	
-Deposit in his own name	4,000
- In the name of minor son	1,300
Amount for medical Treatment	49,000
Amount paid to ICICI Pension plan	12,000

Q.3] M/s. Shah & Mehta, a partnership firm, submits the following profit and loss account to you to for computation of taxable business income for the assessment year 2017-18. (15Marks)

Profit & Loss account for the year ending 31.03.2017

Particulars	Rs	Particulars	Rs
To Salaries and Wages	2,40,000	By Gross Profit	9,00,000
To Rent	1,32,000	By Dividend from UTI (ETSP)	19,000
To Printing	24,000	By Dividend from Indian Co.	50,000
To Telephone & Mobile Expenses	22,000	By Interest on FD with BOI	50,000
To Conveyance	19,000		
To Bad detbs	18,000		
To Interest	78,000		
To Depreciation	1,20,000		
To Professional Fees	24,000		
To Subscription	24,000		
To Advertisement Expenses	18,000		
To Net Profit	3,00,000		
Total	10,19,000		10,19,000

Additional Information:

a) Salaries include Rs. 1,50,000 paid to working partner Shah and Rs. 60,000 to working partner Mehta
b) Interest paid includes Rs. 60,000 being interest paid to partner Mehta at the rate of 20% simple interest
c) The firm purchases goods in case of one bill for Rs. 1,25,000 for which payment has been made by cash.

OR

Q.3] Mr. Vishal Shah (Senior Citizen), a severely handicapped person (89%) took voluntary retirement on 1st January, 2016 after completing 20 years of service in a Private Company. He furnishes the following information for the year ended 31st March 2016.

(a) Basic Salary Rs. 25,000 pm
(b) Dearness allowance @ 50% of Basic Salary
(c) House Rent received Rs. 1,000 pm (Exempt Rs. 4,000)
(d) Voluntary retirement compensation received Rs. 8,00,000 (Exempt Rs. 5,00,000)
(e) Gratuity Received (fully exempt) Rs. 2,00,000
(f) Commuted pension (1/3rd Exempt) Rs. 90,000
(g) Uncommuted Pension Rs. 5,000 pm
(h) Leave Encashment 2 months Basic (Exempt upto 10 months)
(i) Professional Tax paid Rs. 2,500
(j) He had given a loan of Rs. 2,00,000 to his friend. During the previous year 2015-16 he received Rs. 15,000 as interest on loan.
(k) He paid Medical Insurance Premium on 1st February 2016 of Rs. 22,000 by Cheque **Compute the net taxable income and tax of Mr. Vishal Shah for A. Y. 2016-17**

Q.4] (15 marks)

Mr. Devansh (26 years) is employed by a manufacturing company. For the previous year 2016-17 his estimated income is as follows:

Particulars	Rs	Rs
Estimated gross salary	12,40,000	
Less : Devansh contribution towards recognized provident fund	1,28,800	
Tax deduction at source by employer	1,01,880	
Take home pay		10,09,320
Estimated bank interest	1,00,000	
Less : Tax deduction at source by the Bank	10,000	
Net interest likely to be received by X from bank		90,000

Calculate the advance tax payable by Mr. Devansh for the financial year 2017-18.

OR

Q.4] (15 marks)

XYZ firm made the following payments of advance tax during the previous year 2016-17:

	Rs In Lakh
September 15, 2016	7.00
December 15, 2016	7.75
March 15, 2017	13.00
	27.75

The return of income is filed on 31.07.2017 showing

Business Income	Rs. 80 Lakh
Long Term Capital Gain Taxable @20% (as on 01-12-2016)	Rs. 20 Lakh

Compute interest payable u/s 234C

Q.5] **A)** Explain the significance of clubbing of income. **(8 Marks)**

B) Explain the steps to be followed for tax to be deducted at source. **(7 Marks)**

OR

Q.5] Write short notes on: (Any Three) **(15 Marks)**

a) Substantial Interest
b) Revocable Transfer
c) TDS from commission or brokerage u/s 194 H
d) Unilateral Relief
e) Tax liability of firm

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Sem:- VI
May:- 2018
Fin. Mangt.

B.A.F.

Q.P.Code: 21379

Time: $2\frac{1}{2}$ Hours **Marks 75**

N.B.: (1) All Questions are Compulsory.
(2) Each Question Carries 15 Marks.
(3) Support your Answer with Required Working Notes.

Q1A. Match the Column **(Any 8)** (08)

A	B
1. Front End Load	1. Inflation
2. Advisory fees	2. Levered Ratio
3. Foreign Currency Risk	3. Systematic Risk
4. Purchasing Power Risk	4. Price Movements
5. Return on Equity	5. Operating Expenses
6. Return on Investment	6. Unsystematic Risk
7. Efficient frontier	7. Foreign Bonds
8. Increase in CRR	8. Unlevered Ratio
9. Loss of efficient CEO	9. Sales Charges
10. Technical Analysis	10. Markowitz

Q1B. Fill in the blanks **(any 7)** (07)

1. If returns of S fall by 8% and returns of L increase by 8% then the value of correlation between S and L would be --------.
2. Under candle stick charts a -------- day is represented by a black or shaded box.
3. -------- is a ratio of trading of low rated bonds to high rated bonds.
4. In hybrid funds, the equity portion provides ------- and debt funds provide income.
5. Financial Leverage magnifies ----------- of the company.
6. ------------ trading refers to share trading done by the insiders of the company in company's share.
7. The -------- chart pattern be either a continuation or reversal pattern.
8. Higher the quick ratio better is the ------- solvency of the company.
9. Tertiary or minor trends are ----------- fluctuations of little importance.
10. Portfolio returns are the -------- average return of securities in the portfolio.

Q2 A. Evaluate the performance of following portfolios using the following information and rank them on basis of Sharpe and Treynor's Ratio. (10)

Portfolio	Standard Deviation (%)	Beta	Expected Returns (%) Half yearly
Angad	12	2.00	10
Hanuman	26	2.05	20
Surya	14	1.60	15
Shankar	21	1.20	17
Ganesh	23	1.50	16

The T bills yield 5% returns half yearly.

Q2B. Mr Suraj purchased 2500 units of ABC Mutual Fund at a price of Rs 3200per unit. He redeemed all the units after the period of 12 months with 20% mark up on the purchase price. Calculate the net annualized returns if dividend of 15% was received during the holding period. (Face value of share – Rs1000 per share). (05)

OR

Q2 C. Calculate the beta factor of the following investment with the help of the following information (08)

Probability	Return on Security (%)	Market Returns (%)
1/3	12	18
1/3	45	24
1/3	35	36

Q2D. Suraj Mutual Fund held the following securities as on 31st March 2018 – (07)

Company Name	Market Value as on 31st March 2018 (Value per share in Rs)	No of Shares held (units)
Kaira	250	20,000
Charu	320	30,500
Meena	460	20,050
Manju	980	5,550

Apart from above investments it also had Rs 25,00,000 as cash and Rs 12,50,000 as current assets. The total liabilities amounted to Rs 37,50,000 out of which ratio of external liabilities to reserves and surplus was 2:1. Compute the Net Asset Value per unit if the current outstanding units are 72500.

Q3A. Meena Ltd has 12,50,000 equity shares (Face value Rs 100 per share) outstanding in the beginning of the financial year 2017, presently selling at 100% premium in the market. The Board of Directors have recommended dividend @ 10% whereas the capitalization rate for the company is 15%.

Based on MM approach calculate the market price of the share of the company in case where dividend is approved by the shareholders and in case where no dividend has been approved and declared by the company in the annual general meeting.

Since the company wishes to diversify its existing product line in the coming period you as the financial manager are asked to find out the number of additional shares required to be issued under both the circumstances ie when dividend is declared and when dividend is not declared. The cost of diversification amounts to Rs 6,00,00,000 . The company's current net income amounts to Rs 3,60,00,000. (15)

OR

Q3B. From the following calculate Long term loans and Capital Employed.

Capital Gearing Ratio – 0.50
Debt equity ratio – 0.50
Equity Share Capital – Rs 24,00,000
9% Preference Share Capital – Rs 6,00,000 (08)

Q3C. Kadam Ltd has issued a debenture with face value Rs.1000/- bearing interest 12% p.a. maturing after 6 years at par. The expected rate of return of an investor is 15%. Should the investor buy the debenture if the current market price of debenture is Rs.1300? (07)

Q4A. Kiara an investor wishes to invest in either of the bonds, you as financial planner are asked to advise her which bond should be purchased and why? Support your answer with calculations based on YTM method. (08)

Bond	Coupon Rate(%)	Maturity (years)	Price per bond (Rs)
SUN	15	10	950
MOON	17	12	850

The bonds are expected to be redeemed at 20% premium. (Face value Rs 1000)

Q4B. The following information pertains to Angad Ltd.

Total Earnings	Rs. 40,00,000
Dividend Payout ratio	50%
No. of Shares outstanding	2,00,000
P/E Ratio	6 Times
Rate of Return on investment	12%

(i) What should be the market value per share as per Walter's Model?
(ii) What is the optimum dividend pay-out ratio as per Walter's Model? (07)

OR

Q4C. Charu has a holding 25% of shares in BAT Ltd. She has assessed and found that CAT Ltd is of same and equivalent risk class. As her financial advisor you are required to explain him whether she will be better off in switching her holding to CAT Ltd or not using the following information.

Particulars	BAT Ltd	CAT Ltd
Total No. of Equity Shares	3,00,000	5,00,000
Market Price Per Share	Rs. 30	Rs.25
12% Preference Share Capital	Rs 2,00,000	NIL
10% Debentures	Rs. 6,00,000	Rs 10,00,000
Profit before interest	Rs. 8,40,000	Rs.10,10,000
Tax Rate	25%	30%

Note: All profits available for distribution as dividend are distributed. (15)

Q5A. What do you mean by technical analysis? Explain market indicators of technical analysis? (08)

B. Explain the need and importance of strategic financial management. (07)

OR

Q5. Write Short notes on **any 3** (15)

1. Portfolio Diversification
2. Financial Planning
3. The Dow theory
4. Factors affecting industry analysis
5. Classification of Mutual Funds

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Sem :- VI
May :- 2018
Cost : Accounting.

B.A.F.

Q. P. Code: 39957

Duration 02hrs 30 mins **Marks 75**

Please check whether you have got the right question paper.

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 for part of answer

Q.1. A) State whether the following statement in True /False and rewrite the sentence **(Any 8)** (08)
1. Sales budget provides the necessary input data for the direct labour budget.
2. Contribution Margin is also known as Gross profit.
3. Actual Rate is used while computing Labour efficiency Variances.
4. If the product is sold at marginal cost, the loss will be equal to the variable expenses.
5. Flexible budget is the Summary Budget in corporating its component functional budgets.
6. Margin of Safety is sales less Break even Sales.
7. In make or Buy decision Marginal cost & purchase price should be considered.
8. Purchase Manager is responsible for efficient buying.
9. Standard Cost is a predetermined cost.
10. Sunk cost are not affected by increase or decrease in the volume of output.

B) Match the following & Rewrite the sentence **(Any 7)** (07)

Group A	**Group B**
1. Sales Budget	a) Imputed Cost
2. Contribution = ___________ x P/V Ratio	b) Difference between standard cost & Actual Cost
3. Hypothetical cost not involving any actual cash payment computed only for the purpose of decision making	c) Profit Margin
4. Time expected to be required for the workers to complete a job	d) Functional Budget
5. Key factor	e) Sales
6. Marginal cost	f) Arises due to change in price
7. Decision making	g) limiting factor
8. Cost Variance	h) Ideal Standard
9. Material Price variance	i) Variable cost
10. Angle of incidence	j) Selection of Best alternative

Q.2. A factory is currently working at 50% capacity and produces 30,000 units and also sold each at Rs. 225 per unit. Prepare a Flexible Budget and estimate the profit of the company when it works to 75% and 90% capacity. Assume that all units produced are sold at the same selling price per unit as shown above. (15)

Following information is provided to you :

i) **Variable Expenses:**

Material	Rs. 60 per unit
Labours	Rs. 40 per unit
Other expenses	Rs. 15 per unit

(ii) Semi – Variable expenses: (at 50% capacity)

Indirect Labour	Rs. 1,50,000
Indirect Materials	Rs. 2, 10,000
General Administrative Expenses	Rs. 2, 70,000
Repairs and Maintenance	Rs. 1, 20,000

Salesman Salaries Rs. 1, 80,000

(iii) Fixed Expenses:

Office and Management Salaries Rs. 5, 40,000

Office and Factory Rent and Taxes Rs. 6, 00,000

Sundry Administrative Expenses Rs. 7, 20,000

Depreciation on Machinery and Furniture Rs. 4, 50,000

(iv) Semi – Variable expenses remain constant upto 60% of capacity, increasing by 10% between 61% and 80% capacity and by 20% between 81% and 100% capacity.

(v) Rate per unit of variable expenses remains same.

OR

Q.2. Mysore Manufacturer operates three sales divisions X, Y and Z, which sell three branded products A, B and C. The budget committee needs a sales budget for the next year from the following information. Budget sales units for current year are: (15)

Product	X	Y	Z
A	8,000	12,000	12,000
B	6,000	16,000	8,000
C	4,000	24,000	10,000

Actual sales units for the current year based on actual sales to the date and estimated sales for the balance of the year are:

Product	X	Y	Z
A	10,000	16,000	14,000
B	4,000	20,000	10,000
C	2,000	20,000	8,000

The selling prices per unit of A,B and C are Rs. 5, Rs. 10 and Rs. 20 respectively, applicable for all the divisions. The discussions with the divisional sales managers have resulted in the following suggestions and estimates.

Product A is oversold and if the price is increased by 10%, even then it finds a ready market. Product C is overpriced and the price of it can be reduced by 5%. By incorporating these changes, the sales will be as follows:

Product	Percentage Increase/ Decrease on Previous Budget		
	X	Y	Z
A	+30	+40	+20
B	-10	+30	-10
C	+10	+20	+10

In view of these estimates, an intensive advertising campaign is decided on to boost sales of B in divisions X , Y and Z. It was thought that it leads to an increase of B as follows:

Division X = 10%

Division Y = 5% and

Division Z = 20%.

It is the practice of the company to prepare sales budgets which show the budgets, the budgeted sales and actual sales for the current period.

Tabulate the above figures to establish the sales potential of different products.

Q.3. Raghveer Ltd. and Rajveer Ltd. are manufacturing same kind of bags. The Profit and loss details are as under: (15)

Particulars	Raghuveer Ltd. Rs.	Rajveer Ltd. Rs.
Sales	30,00,000	30,00,000
Less: Variable Cost	12,00,000	12,00,000
	18,00,000	18,00,000
Less: Fixed Cost	9,00,000	3,00,000
Profit	9,00,000	15,00,000

You are required to :

1. Calculate Contribution/ Sales ratio for each company.
2. Calculate BEP for each company.
3. Profit for each company if sales increase by 20%
4. Profit for each company if sales decreases by 20%

OR

Q.3. Ambika Condiments bring out 2 products " SUCHI" and "RUCHI" which are popular in market. The management has the option to alter the sales – mix of the products from out of the following combinations: (15)

Particulars	Suchi (units)	Ruchi (units)
Option I	800	600
Option II	1,600	-
Option III	-	1,300
Option IV	1,100	500

The per unit production cost/ sale data are:

Particulars	Suchi	Ruchi
Direct Material (Rs.)	25	30
Direct Labour (Hours)	10	12
Variable factory overheads is 100% of		
Direct labour cost for both products		
Selling price (Rs.)	75	90
Labour Rate is Rs. 2 per hour		
Common Fixed Overheads for both products Rs. 10,000		

You are required to:

1. Prepare a marginal cost statement for the two products and
2. Evaluate the options and identify the most profitable sales – mix.

Q.4. XYZ Ltd. follows standard costing system and the following information is available for the month of September, 1999: (15)

Actual Production – 1,500 kg.

Materials consumed

Type	Quantity (kgs.)	Rate (Rs. Per kg.)
A	550	5.00
B	200	6.00
C	350	2.00
D	400	5.00

Labour deployed

Worker	Time worked (hours)	Rate (Rs. Per hour)
P	32	11.00
Q	14	9.00
R	20	11.00
S	10	18.00

Details of standard materials and labour cost based on production of 1,000 kgs. Are as under:

Consumption of materials

Type	Quantity (kgs.)	Rate (Rs. Per kg.)
A	400	4.00
B	100	5.00
C	200	2.50
D	300	6.00

Deployment of labour

Worker	Time(hours)	Rate (Rs. Per hour)
P	20	10.00
Q	10	8.00
R	15	12.00
S	7	20.00

From the above information, you are required to compute:

a) Material Price variance

b) Material Usage Variances.

c) Labour rate variances

d) Labour Efficiency variances.

OR

Q.4. The budgeted and the actual sales for the period in respect of three products are given below: (15)

Budgeted Figures

Product	Quantity	Price	Value
A	2,000	5	10,000
B	1,500	10	15,000
C	1,000	15	15,000
Total	4,500		40,000

Actual Figures

Product	Quantity	Price	Value
A	2,400	6	14,400
B	1,400	9	12,600
C	1,200	14	16,800
Total	5,000		43,800

Q.5. A) What is BEP? Explain its uses (08)

B) What are the advantages of standard costing. (07)

OR

Q.5. Write Short Note **(Any 03)** (15)

1. Cash budget
2. Margin of Safety
3. Break even Chart
4. Functional Budget
5. Steps in Managerial decision making.

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Sem :- VI
Regular Exam : May - 2018
Financial A/c :- VI

B.A.F.

Q.P. Code :36237

[Time: 02:30 Hours] **[Marks:75]**

Please check whether you have got the right question paper.

N.B:
1. All question are Compulsory.
2. All question carry 15 marks each.
3. Working notes should form part of your answer.

Q.1 a) Choose correct alternative and rewrite the statement: (Any Eight) 08

1. Liability of designated partner in LLP
   (a) Limited
   (b) Unlimited
   (c) a & b
   (d) None the above

2. The CRR to be maintained by the banking company is
   (a) 6%
   (b) 5%
   (c) 2.5%
   (d) 5.5%

3. The mean of the exchange rates in force during a period is known as
   (a) Average rate
   (b) Closing rate
   (c) Reporting rate
   (d) none of the above.

4. Cost of Investment includes
   (a) Purchase price
   (b) Stamp duty
   (c) Brokerage
   (d) All of the above

5. In the case of marine insurance the provision for unexpired risk as per the Executive committee of General Insurance council is
   (a) 80%
   (b) 100%
   (c) 50%
   (d) 60%

6. Money at call and short notice is disclosed under
   (a) Cash and Bank balance
   (b) Investment
   (c) Provision
   (d) None of the above

7. Interest on securities is always calculated on
   (a) Cost price
   (b) Market price
   (c) Face value
   (d)All of the above

8. At the end of the year the balance on foreign exchange fluctuation a/c is transferred to
   (a) Foreign exchange fluctuation a/c
   (b) Profit and loss a/c
   c) Balance sheet
   (d) none of the above

9. Certificate of incorporation of limited liability partnership is issued by
   (a) Government
   (b) SEBI
   (c) stock exchange
   (d) Registrar of companies

10. Unclaimed dividend is shown by bank under
   (a) Deposits
   (b) Advances
   (c) Other liabilities
   (d) Contingent liabilities

a) State whether the following statement are true or false(any seven)
   1. Share capital of a banking company includes equity shares only.
   2. The Investment as per AS-13, is under only financial investment.
   3. In fluctuating exchange rate use of average rate is unreliable.
   4. At least one of the partners of LLP should be resident in India.
   5. In fire insurance, the compensation is equal to the loss incurred.
   6. Claim on Re- insurance accepted is added to claims Paid.
   7. Discounting of bill is converting the bill into cash.
   8. In the case of bonus, only nominal value is entered in nominal value column of the investment account.
   9. Exchange rate is the ratio of exchange of two currencies.
   10. Form No.2 is the form of incorporation under limited liability partnership.

Q.2 a) The following figures are taken from the books of Abhaya bank Ltd. You are required to prepare the Balance sheet as at 31st March , 2017 and profit and Loss A/C for the year ended as on that date: 15

PARTICULARS	AMOUNT	PARTICULAR	AMOUNT
Current Accounts	32,00,000	Interest and Discount received	30,00,000
Saving Bank Account	1,20,00,000	Interest accrued and paid	8,00,000
Fixed and Time Deposits	38,00,000	Salaries and Allowances	2,04,000
Sundry Creditors	1,20,000	Salary to General Manager	96,000
Bills Payable	32,00,000	Directors Fees	20,000
Bill for collection	5,60,000	Rent and rates	80,000
Acceptances and endorsement on behalf of customers	8,00,000	General expenses	12,000
Borrowing from Bank	28,00,000	Stationery and Printing	20,000
Unclaimed Dividend	1,20,000	Audit fees	8,000
Dividend for 2016	2,00,000	Money at call and short notice	12,00,000
Profit and Loss Account (cr.)	8,40,000	Investment at cost	1,20,00,000
Reserve fund	14,00,000	Premises (after depreciation up to March 2016 Rs. 4,00,000)	48,00,000
Share Capital (Authorised & Issued 2,00,000shares of Rs. 20 each Rs. 10 paid up)	20,00,000	Cash in hand	2,40,000
		Cash with RBI	60,00,000
		Cash with other bank	52,00,000
		Bills discounted and purchased	24,00,000
		Loans overdrafts and cash credit	2,80,00,000

Rebate on bill discounted for unexpired term amounted to Rs. 20,000. Create provision for taxation Rs. 4,00,000 and for Doubtful debtors Rs. 1,20,000. Allow 5% Depreciation on premises on the original cost.

OR

Q.2 On 1st January,2012 John Ltd Imported goods worth $85,000 from Synergy Ltd USA. The payment were made as under: 15

Date	Amount of Installment — US($)	Exchange Rate per US $ (Rs.)
10-01-2012	16,000	Rs.61
15-02-2012	18,000	Rs.62
15-03-2012	29,000	Rs.63
15-04-2012	22,000	Rs.59

Exchange rate on 1/1/2012 was 1$ = Rs. 60
Books are closed on 31st March every year. The Exchange rate on 31/3/2012 was $ 1 = Rs. 63.
Pass necessary journal entries in the books of John Ltd to record the above transaction and also prepare Synergy Ltd. USA Account and foreign exchange fluctuation account in the books of John Ltd. For the year ended 31/3/2012and 31/3/2013.

Q.3 From the following information of M/S Big fish Marine Insurance co Ltd. Prepare the Revenue Account as per regulations of IRDA for the year ended 31st March , 2017: 1

PARTICULARS	Rs.
Premium received	18,75,000
Premium outstanding on March 31,2017	1,25,000
Premium paid on reinsurance ceded	2,28,000
Claims paid	10,54,000
Estimated liability in respect of outstanding claims:	
On April 1 2016	1,89,000
On March 31,2017	2,25,000
Expenses of management (includes Rs. 45000 Surveyors fee and 65000 legal expenses paid for settlement of claims)	4,85,000
Interest and dividend (Gross)	1,65,250
Income tax on the above Interest and dividend	49,575
Profit on sale of investment	46,000
Commission paid	1,94,000

Balance of fund on 1st April, 2016 was Rs. 18,50,000 including addition reserve of Rs. 1,80,000
Additional Reserve has to be maintained at 10% of net premium for the year.

OR

Q.3 From the following Trial balance of Sudhakar and Prabhakar (LLP) You are required to prepare a profit and loss A/c for the year ended 31St March,2017 and Balance sheet as on that date. 1

Trial balance (as on 31st March , 2017)

PARTICULARS	Dr.(Rs.)	Cr. (Rs.)
Opening stock	60,000	-
Salary and wages	4,500	-
Carriage	2,500	-
Purchase and sales	60,000	1,25,000
Bills Receivable and bills payable	600	1000
Rent	3,500	
Reserve for bad and doubtful debts	-	800

Sundry Debtors and Creditors	18,000	16,000
Returns	1000	500
Machinery	12,000	-
Travelling expenses	3,000	-
Cash at bank	1,000	-
Building	25,000	-
Office expenses	2,700	-
Advertisement for 3 year	3,000	
Drawings:		-
Sudhakar	1,000	-
Prabhakar	1,500	-
Capital account:		
Sudhakar	-	20,000
Prabhakar		15,000
Insurance	600	-
Reserve Fund		21,600
Total	1,99,900	1,99,900

Adjustments:

1. Closing stock Rs. 25000, Market Value Rs. 30,000
2. Partner sharing profit and loss equally
3. Goods costing Rs. 3,000 were destroyed by fire.
4. Provide depreciation on machinery @10%and on building @20%
5. Provide Reserve for doubtful debts @ 5% on sundry debtors.

Q.4 During the year ended 315t March, 2013 Mr. Raj bought and sold the following 12% Debenture of Rs. 100 each Of Zen Ltd. Interest being payable by Zen Ltd On 1st April and 1st October each year. 15

Date	Particulars
1ST June ,2012	Bought 300 debentures at R5.92 ex- interest
1st September,2012	Bought 300 debentures at Rs.94 cum — interest
1st December, 2012	Sold 200 debentures at Rs.95 ex- interest
1St February,2013	Bought 150 debentures at Rs.98 cum — interest

Books are closed on 31st March every year . Market price on 31st March 2013 was, Rs.90 per Debenture.

You are required to prepare Investment in 12% Debentures in Zen Ltd .account for the year ended 315tMarch, 2013 in the books of Mr. Raj.

OR

Q.4 On 1-4-2012 Mr. Krishna Murty purchased 1000 equity shares of Rs. 100 each in Telco Ltd @ Rs. 120 Each from a Broker, who charged 2% Brokerage. He incurred 50 paise per Rs. 100 as cost of shares Transfer stamps. On 31-1-2013 Bonus was declared in the ratio of 1:2. Before and after the record Date of bonus shares, the shares were quoted at Rs. 175 per share and Rs. 90 per share respectively. On 31-3-2013 Mr. Krishna Murty sold bonus share to a Broker who charged 2% brokerage. Show the investment account in the books of Mr. Krishna Murty who held the shares as current assets And closing value of investment shall be made at cost or market value whichever is lower. 15

Q.5 a) Explain Weighted average Method under Investment Accounting. 08

b) Explain the type of General Insurance 07

OR

Write short notes on any three of the following: 15

i. Designated Partner
ii. Inter- related transaction in foreign currency
iii. ex- interest and cum – interest Price
iv. Re-insurance
v. Money at call and short notice.

****

Sem:- VI
May:- 2018
Fin: A/c:- VII

B.A.F.

Q. P. Code: 38920

[Time: 2.30 Hours] [Marks:75]

Please check whether you have got the right question paper.

N.B: 1. All questions are compulsory
2. Figures to the right indicate full marks.
3. Working note are the part of your answer.
4. Use of simple calculator is allowed.

1. A. State whether the following statements are true or false and rewrite the statement again: (Any 8) **(8)**

1. Goodwill depends on personal reputations of the enterprise.
2. Investments are non-trading assets.
3. Rental of meter is shown in P & L statement.
4. Balance of P & L Statement is carried to Balance Sheet.
5. A housing society need not maintain Cash Book.
6. List of members is maintained in 'B' Form.
7. Fixed assets should be translated at the rate on the date of the transaction.
8. Contingent liability is translated at opening rate.
9. Current liabilities are primarily held for trading.
10. IFRS enhances uniformity in the accounting principles.

B. Fill in the blanks and rewrite the sentence again: (Any 7) (7)

1. A core group is constituted by ___.
2. Financial statements based on IFRS become _____.
3. Any exchange difference arising due to translation is charged to ____.
4. Cost of tangible assets is translated at the exchange rate on the date of ____.
5. Entrance fees received from the members is to be ____.
6. Income & Expenditure A/c is to be prepared in __ form.
7. Fixed assets are shown at cost in _____.
8. Depreciation is shown in ______.
9. Super Profit is excess of FMP over _____
10. Any expenses likely to be incurred should be ____ from average profit.

Q2. Ms. Hardeep intendent to invest Rs.150000 in the Equity share of Amar Ltd. And seek your advice as to the maximum number of shares she can expect to acquire on the basis of Intrinsic and yield value of share for that the following information is available :

[15]

Equity share Rs.20 each	900000
9% Preference share capital	650000

Average profit before tax of the business was Rs.375000. it was observed that the fixed assets are undervalued to the extent of Rs.250000 and stock is over-valued Rs.30000. all other liabilities are correctly value except Bill payable which is unrecorded Rs.25000. Normal yield is 10% in case of equity share.

Compute the value of Goodwill based on 4 years purchase of super profit, if any. Tax rate @ 30%, consider the closing capital employed as average capital employed.

OR

Q2. The following information is pertaining to Qureshi Ltd. As on 31st March,2018 [15]

i. Share capital:
1,00,000 Equity share of Rs.10 each
2,00,000 12% Preference share of Rs.100 each
ii. Fictitious asset Rs.150000
iii. Reserve and Surplus Rs.200000
iv. Equity shareholder expected rate of return @ 20%
v. The average net profit before tax for the past 3 years was Rs.20 lakhs, which is anticipated that due to favorable market condition , it will increase by 30%.
vi. Investment as per Balance sheet are under value by Rs.700000.
vii. The company transfer 25% profit to Debenture Redemption Reserve.
Compute Fair Value of Share of Qureshi Ltd.
viii. Corporate tax rate is 30%

Q.3. KFC Ltd. has head office at Mumbai and branch at California. The branch submits the following Trial Balance as on 31st March 2018. [15]

Particulars	Dr. US $	Cr. US $
Head Office A/c	-	11,606
Goods received from head office	12,725	-
Purchases and Sales	5,06,323	7,87,777
Stock on 1st April 2017	13,100	-
Plant and Machinery	27,650	-
Furniture and Fixture	18,220	-
Bank Balance	60,180	-
Cash Balance	3,233	-
Salaries	71,130	-
Office Rent	44,316	-
Taxes and Insurances	13,655	-
Debtors and Creditors	1,17,117	1,57,617
Printing and Stationary	37,119	-
Postage	16,303	-
Freight	14,784	-
Conveyance	1,145	-
Total	9,57,000	9,57,000

Additional Information:

a. The Branch Account in Head Office showed a debit balance of Rs. 5,11,100 and Goods sent to Branch Account showed a credit balance of Rs. 5,66,600.
b. Plant and Machinery was acquired when US $ = Rs. 46 and Furniture and Fixture was acquired when US $ = Rs. 40. Head office charges depreciation on Plant and Machinery @20% p.a. and on Furniture and Fixture @10% p.a.
c. The closing stock as on 31st March 2018 at the branch was US $ 16,550.

d. The exchange rates were as under:
01-04-2017 US \$ = Rs. 38.50
31-03-2018 US \$ = Rs. 40
Average US \$ = Rs. 44
Convert the Branch Trial Balance into Rupees and Prepare Branch Trading A/c , Profit & Loss A/c and Balance sheet as on 31st March 2018.

OR

Q.3. From the following Trial Balance of Sahadev CHS Ltd., Prepare Final Account in the prescribed format as per applicable legal provisions. [15]

Particulars	Dr. Rs.	Particulars	Cr. Rs.
1 share of MDC Co-op Bank	200	Collection from Members	6,87,250
1 share of MDCH Federation	200	Dividend	12
Accrued interest on FD	3,38,816	Income and Expenditure Account	6,19,038
Audit Fees	2,000	Interest – Fixed Deposits	1,40,358
BEST Deposit	5,200	Interest – Savings Bank	3,654
BMC Deposit for water	10,982	Members Contribution for Building Fund	18,87,000
Cash in Bank	20,910	Security Deposits from Members	37,600
Cash in hand	2,328	Sinking Fund-Opening	6,93,548
Fixed Deposits	22,28,232	Statutory Reserve Fund-Opening	8,93,570
Furniture and Fittings	6,416	Subscribed Capital:	
Land and Building	18,87,000	200 shares of Rs. 50 each	10,000
Property Taxes and Expenses	1,75,900		
Salaries	1,16,872		
Housekeeping charges	31,460		
Subscription to the Education Fund	4,800		
Water Charges	1,40,714		
	49,72,030		49,72,030

Adjustments:

1. Details of collection from members :
   Property Taxes and Expenses Rs. 3,84,850
   Establishment Expenses Rs. 2,59,200
   Contribution to Sinking Fund Rs. 43,200
   Rs. 6,87,250
2. Authorised Capital: 3,000 shares of Rs. 50 each
3. Depreciate Furniture and Fixture @ 10%
4. Outstanding Water Charges Rs. 23,920

Q. P. Code: 38920

Q.4: The Trial Balance of Dakshata Electric Supply Ltd. for the year ended 31st March, 2018 is as below: (15)

Particulars	Dr. Rs ('000)	Cr. Rs ('000)
Share Capital		
Equity Shares of Rs 10 each		20,000
14% Preference Shares of Rs 100 each		6,000
Patents and Trademarks	1,001.60	
15% Debentures		9,880
16% Term Loan		6,120
Land	4,980	
Building	14,053.60	
Plant and Machinery	22,823.20	
Mains	1,809.60	
Meters	1,260	
Electrical Instruments	612	
Office Furniture	980	
Capital Reserve		1,608
Contingency Reserves		4,812
General Reserves		400
Transformers	6,576	
Opening Balance of Profit and Loss Account		140
Profit for the year 2017-18 subject to Adjustments		2,000
Stock in hand	4,820	
Sundry Debtors	2,498	
Contingency Reserve Investment: - SBI Bonds-2025	4,004	
Other Investments	800	
Cash and Bank	1,302.00	
Public Lamps	1,216	
Depreciation Fund		10,326.40
Sundry Creditors		2,609.60
Proposed Dividend		4,840
	68736.00	68,736.00

During 2017-18, 40,000, 14% Preference Shares were redeemed at a premium of 10% out of proceeds of fresh issue of Equity Shares of necessary amounts at a premium of 10%. Required to prepare for the above period general balance sheet as on 31st March, 2018 as per Schedule III of the Companies Act, 2013.

Adjustments: Fig. (000)

1. Transfer to Contingency Reserve Rs 68. and to General Reserve Rs 80.
2. Loss on Contingency Reserve Investment Rs 4.
3. Make a Provision for Debts considered doubtful of Rs 405.6

OR

Q. 4. The following is the Balance sheet Salman Ltd. as on 31-12-2018. [15]

Liabilities	Rs.	Assets	Rs.
Equity shares of Rs. 10 each Rs. 7.50 paid	3,00,000	Goodwill	64,000
10% of Preference shares of Rs. 10 each	80,000	Building	1,90,000
General Reserve	1,00,000	Machinery	1,40,000
Profit and Loss A/c	31,500	Employee Provident fund investment	25,000
Employee Accident Compensation Fund	25,000	Stock	1,04,500
Employee Profit Sharing Fund	14,000	Debtors 90,000 Less: Bad Debts reserve 2,000	88,000
Employee Provident Fund	25,000	Cash and Bank	62,000
Creditors	45,000	Prepaid Expenses	5,000
Outstanding expenses	3,000	Preliminary Expenses	5,000
Depreciation provision: Building 30,000 Machinery 30,000	60,000		
	6,83,500		6,83,500

Additional Information:

i) Building has been valued at Rs. 2,70,000
ii) Goodwill of the company has been valued at Rs. 67,500
iii) Liability under employee accident compensation fund was only Rs. 5,000
iv) The dividend on preference shares for the year is to be provided.
v) Expected rate of return is 15%
vi) Average Profit of the company after deducting tax at 50% is Rs. 59,750

Calculate intrinsic and yield value of equity share.

Q5. Answer the following

A. What are the framework provided for the concepts that are applicable for preparation and presentation of financial statement for outside Users? [8]

B. Describe the exemption in application of IFRS? [7]

OR

Q5. Write Short Note (Any 3) [15]

I. Different point to be considered for determination of FMP.

II. Methods of valuation of shares.

III. Main features of Electricity Act 2003.

IV. Non-integral foreign operation.

V. challenges in first time adoption of IFRS by Indian corporates.

Sem:- VI
May:- 2018
Economics

B.A.F.

Q.P.Code: 31139

[Time: 2½ Hours] [Marks: 75]

N.B. (1) All questions are compulsory. (2) Figures to the right indicate full marks.

Q.1 A) State whether the statements are True or False (Rewrite the sentence) (Any Eight) (8)

a) In India the birth rate is declining.
b) Poverty is a multidimensional concept.
c) Agricultural marketing reforms aim at establishing farmers market for direct sale to consumer
d) Greater autonomy is given to Navratnas.
e) The Government classifies the Industries into Micro , Small, medium enterprise on the basis of the Investment limit.
f) India is witnessing a transition from an agricultural economy to a knowledge based economy.
g) FDI is not permitted in Insurance sector in India.
h) India is not a member of SAARC.
i) The certificates of Deposit are issued by registered companies.
j) The capital market does not serve as a reliable guide to the performance and financial position of companies.

B) Fill in the Blanks: (Any Seven) (7)

a) ______________ population policy aims at stabilizing population by 2045.
[Family Planning Programme / National Population Policy 2000 / Family Welfare Programme]

b) Objective of the land reform is ______________.
[land to all / land to the tiller / land to the landlords]

c) Agricultural prices in India are ______________.
[very certain / uncertain / very remunerative]

d) Industrial Policy 1991 ______________ the Mandatory Convertibility Clause.
[Removed / Introduced / Did not change]

e) The Micro, Small and Medium Enterprises Development Act was passed in the year ______________.
[2006 / 2008 / 1991]

f) ______________ campaign is used to promote tourism in India.
[Incredible India / Make in India / Digital India]

g) Cooperative credit has ______________ structure.
[Three tier / Five tier /2 Tier]

h) Foreign Direct Investment refers to ______________.
[Loans from IMF / Grants from the World Bank / Investment by Multinationals]

i) ______________ is not the features of Commercial bills.
[Short term / Trade bills / Issued by RBI]

j) An increase in SLR ______________.
[increases lending capacity of banks / reduces lending capacity of banks / does not change]

Q2 A) Define Income Inequality. Briefly outline the effects of Income inequalities in India. (8)
B) Explain the causes of unemployment in India. (7)

OR

C) Discuss the main forms of land reforms introduced in India. (8)
D) Discuss the institutional sources of finance for the agricultural sector. (7)

Q 3 A) Discuss the trends in industrial growth during pre and post reforms period. (8)
B) Explain the role and performance of Small Scale Industries in India. (7)

OR

C) Explain the meaning and objectives of Disinvestment policy in India. (8)
D) Discuss the main features of the Industrial Policy 1991. (7)

Q 4 A) Explain the scope and role of service industry in India. (8)
B) Explain the recent trends in Insurance Industry in India. (7)

OR

C) Discuss the changes in balance of trade account ,current account , capital account , and foreign exchange reserves in India's balance of payments since 1991. (8)
D) Discuss in brief the various agreements of WTO. (7)

Q.5 A) Examine briefly the reforms undertaken in the money market in India. (8)
B) Bring out the changes in operational technology introduced in Banking system in recent years. (7)

OR

C) Write short notes on (Any Three) (15)
a) Demographic Profile of India.
b) Trends in Healthcare Industry in India.
c) Need for Foreign Capital.
d) Instruments of Monetary Policy.
e) Role of Capital Market in India.
