

T.Y.B.Com

Sem/V

April-2023

A.T.K.T.

Time: 3 Hrs

Marks 100

Note:

- All Questions are compulsory.
- Figures to the right indicate full marks allotted to the questions.
- Working Notes wherever necessary should form a part of your answer.
- Calculate figures up to the two decimal points wherever required.

Q1 A) Select the most appropriate option and rewrite the full sentence (Any Ten) (10Marks)

1. Prime cost plus Variable Overhead is known as \_\_\_\_\_
  - (a) Production Cost
  - (b) Marginal Cost
  - (c) Total Cost
  - (d) Cost of Sales
2. \_\_\_\_\_ include all direct cost and all indirect cost
  - (a) Total Cost
  - (b) Administration cost
  - (c) Selling cost
  - (d) Prime cost
3. Perpetual inventory system involves \_\_\_\_\_
  - (a) bin card and stores ledger
  - (b) bill of material and material requisition
  - (c) purchase requisition and purchase order
  - (d) inward and outward invoices
4. Material control involves \_\_\_\_\_
  - (a) Only consumption of material
  - (b) Only issue of material
  - (c) Only purchase of material
  - (d) Purchase, storage and issue of material
5. \_\_\_\_\_ discount is offered to purchaser on buying large quantities
  - (a) Credit
  - (b) Cash
  - (c) Seasonal
  - (d) Quantity
6. Time study is for \_\_\_\_\_
  - (a) Measurement of work
  - (b) Fixation of standard time
  - (c) Ascertainment of actual hours
  - (d) Ascertainment of labour cost
7. Normal idle time \_\_\_\_\_
  - (a) can be avoided
  - (b) cannot be avoided
  - (c) can be minimised
  - (d) can be controlled



8. Labour turnover is caused by \_\_\_\_\_  
(a) Only Low Wages  
(b) Only Discharge  
(c) Only Dissatisfaction with job  
(d) Low wages, discharge and dissatisfaction with job
9. Expenditure over and above prime cost is known as \_\_\_\_\_  
(a) Overhead  
(b) Factory cost  
(c) Cost of sales  
(d) Cost of production
10. Directors' remuneration and expenses form a part of \_\_\_\_\_  
(a) production overhead  
(b) administration overhead  
(c) selling overhead  
(d) distribution overhead
11. Which of the following items is included while preparing a Cost Sheet?  
(a) Property Tax on Factory Building  
(b) Goodwill written off  
(c) Transfer to reserves  
(d) Provision for taxation
12. Salary paid to partner is \_\_\_\_\_  
(a) Office and administrative overheads  
(b) Not a part of Cost sheet  
(c) Selling and Distribution Overhead  
(d) Factory Overheads
- Q1 (B) State whether the Following Statements are True or False (Any ten). (10 Marks)
1. Costs which have been incurred in past are known as Historical Cost
  2. Normal cost is an unusual cost whose occurrence is usually irregular and unexpected and due to some abnormal situation
  3. Cost unit is a form of measurement of volume of production or services.
  4. Carriage inward is not really an Overhead at all but it is a Direct Cost.
  5. Buffer stock is that material which is held in reserve to meet a sudden order or any contingency
  6. Average method of pricing the material issues is useful when material prices are fluctuating.
  7. Piece Rate Plan differentiates between efficient and inefficient workers.
  8. Cost of stores is allocated on the basis of direct wages.
  9. Depreciation on plant and machinery is part of works overheads
  10. Cost of storage space is an example of carrying cost.
  11. Under valuation of closing stock in costing increases costing profit.
  12. Primary packaging charges is an example of selling and distribution overheads.



Q2 From the following balances prepare a cost sheet

(20 Marks)

Particulars	Amount (Rs.)
Opening Stock of Raw Material	1,20,000
Opening Stock of Work In Progress	45,600
Opening Stock of Finished Goods	86,400
Wages Direct	83,200
Wages Indirect	4,400
Purchase of Raw Material	1,05,600
Sales	3,37,600
Factory Rent & Power	24,000
Depreciation on Plant & Machinery	5,600
Carriage Inward	2,400
Factory Expenses	16,000
Office Rent & Rates	4,000
Office Expenses	10,400
Carriage Outward	4,000
Commission & Advertising	16,000
Closing Stock : Raw Material	1,46,400
Closing Stock : Work In Progress	56,000
Closing Stock of Finished Goods	49,600

OR

Q 2 The following are the details of purchases & sales made during the month of March 2023.

Date	Particulars	Units	Rate Per unit (Rs.)
1/3/2023	Opening Balance	1,500	10
3/3/2023	Purchase	7,500	12
4/3/2023	Sales	4,500	13
6/3/2023	Sales	4,500	13
8/3/2023	Purchases	4,500	10
9/3/2023	Sales	3,000	12
10/3/2023	Sales	750	11

You are required to prepare 1) Stock Ledger Account under FIFO method 2) Stock Ledger Account Under Weighted Average method. (20 Marks)

Q3 Mr. Anand an employee of a company gets the following emoluments and benefits:

(20 Marks)

Basic Wages	Rs. 70,000 Per Month
Dearness Allowance	Rs. 100% of Basic Wages
Employer's Contribution to Provident Fund	10% of Basic Wages
Employer's Contribution to E.S.I.	5% of Basic Wages
Bonus	20% of Basic Wages
Other Allowances	Rs.76,500 p.a.

He works for 3,000 hours per annum, out of which 500 hours are normal idle time.

Mr. Anand worked 50 effective hours on a Job Y, where the cost of direct material is Rs. 40,000 and overheads are 40% of combined cost of Material & Labour.

The Sale value of Job Y is quoted to earn profit of 50% on cost.

You are required to find out effective hourly cost of Mr. Anand and the expected sales value of job Y.

OR



Q3 (A) Calculate the comprehensive machine hour rate from the following details:(10 marks)

Machinery purchased	Rs 9,00,000
Installation Charges	Rs 1,00,000
Life of Machine	5 Years
Working Hours per Year	2,500
Repair Charges	Rs.5,000 Per annum
Electric Power consumed	10 units per hour @ Rs 3 per unit
Lubricant Oil	Rs 80 per day of 8 hours
Consumable stores	Rs. 200 per day of 8 hours
Wages of machine operator	Rs 160 per day of 8 hours

Q3 (B) The following information relating to type of Raw material is available (10 Marks)

Annual Demand	2,000 Units
Unit Price	Rs 20
Ordering Cost Per Order	Rs. 20
Storage Cost	2%p.a.
Interest Rate	8% p.a.

Calculate Economic Order Quantity and total annual Inventory cost of the raw material.

Q4 Amit company has five departments P,N,R,S & T The actual cost for a period are as follows:

(20 Marks)

Particulars of Overhead	Amount (Rs.)
Repairs	70,000
Rent	62,500
Depreciation	35,000
Supervision	42,000
Insurance	48,000
Employer's Liability of Employees' Insurance	30,000
Light	90,000

The following data are also available regarding the five departments:

Particulars	P	N	R	S	T
Area (square Feet)	140	120	110	90	40
Number of workers	15	25	15	10	5
Total wages Rs	10,000	8,000	5,000	5,000	2,000
Value of Plant Rs.	20,000	18,000	16,000	10,000	6,000
Value of Stock Rs.	15,000	10,000	5,000	2,000	-----

Prepare a Statement of Primary Distribution of Overheads

OR

Q4 (A) Calculate the earnings of a worker under

- 1) Halsey Plan
- 2) Rowan plan from the following particulars.

1. Hourly rate of wages guaranteed Rs 10 per hour.
2. Standard time for producing 1 article is 5 Hours.
3. Actual Time taken by the worker to produce 10 articles is 40 Hours

(10 Marks)



Q4 (B) Prepare a Reconciliation Statement From the Following Cost Sheet And related Trading & Profit & Loss Account to Match the Financial Profit with that of Cost Sheet (10 Marks)

Cost Sheet	
Particulars	Amount (Rs.)
Purchase of Raw Material	3,000
Less: closing Stock of Raw Material	<u>500</u>
Raw Material Consumed	2,500
Add : Direct Wages	<u>1,000</u>
PRIME COST	<u>3,500</u>
Add : Works Overhead	<u>3,000</u>
WORKS COST	<u>6,500</u>
Add : Administrative Overhead	<u>1,500</u>
COST OF PRODUCTION	<u>8,000</u>
Add : Selling & Distribution Overhead	<u>2,200</u>
COST OF SALES	<u>10,200</u>
Add : Profit	<u>9,800</u>
SALES	<u>20,000</u>

Trading & Profit & Loss Account

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
To Purchase	3,000	By Sales	20,000
To Wages	1,000	By Profit on Sale of Asset	1,000
To Indirect Wages	500	By Closing Stock Raw Material	500
To Factory Expenses	2,000		
To Administrative Overhead	1,000		
To Sales Expenses	2,000		
To Distribution Expenses	1,000		
To Interest	50		
To Bad Debts	100		
To Net Profit	10,850		
TOTAL	21,500	TOTAL	21,500

Q 5 (A). Explain the use of Relevant cost, Sunk Cost, Imputed Cost, Opportunity Cost, Shut down cost for decision making. (10 Marks)

Q 5 (B). What do you mean by an Overhead? Explain the classification of overhead based on Behaviour of cost. (10 Marks)

OR

Q5 Write Short Notes (Any Four out of Six) (20 Marks)

1. Indirect Costs
2. Re-order Level
3. Labour Turnover
4. Production Overheads
5. Under -Absorption of Overheads
6. Inventory turnover ratio

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Time: 3 hours

N.B.

Marks: 100

1. All questions are compulsory
2. Figures to the right indicate full marks.
3. Draw a neat diagram wherever necessary.

Q? A. Choose the correct answer and rewrite the statement (Any Ten)

10

1. Macroeconomic stabilization measures are \_\_\_\_\_ measures aimed at demand management.
  - a) Long term
  - b) medium term
  - c) short term
  - d) not fixed
2. Education and Healthcare services included in the types of \_\_\_\_\_ infrastructure.
  - a) Social
  - b) Cultural
  - c) Physical
  - d) Private
3. Skill India was launched in \_\_\_\_\_.
  - a) 2020
  - b) 2016
  - c) 2015
  - d) 1998
4. \_\_\_\_\_ will be given high priority for agricultural development.
  - a) Harvesting
  - b) Zamindari System
  - c) Loan facilities
  - d) Rural electrification
5. Buffer stock is the stock of food grains procured by the government through \_\_\_\_\_.
  - a) IFCI
  - b) IDBI
  - c) FCI
  - d) FICCI
6. Farmers require an efficient system of \_\_\_\_\_ to sell their produce at remunerative price.
  - a) Agricultural research
  - b) Agricultural silos
  - c) Seeds and fertilizers
  - d) Power supply



7. .... involved the auction of shares of Public Sector Enterprises as a price-finding mechanism.
- Initial Public Offering
  - Further Public Offering
  - Offer for Sale
  - Institutional Placement Programme
8. Which of the following is not true of MSMEs?
- They are labour intensive
  - They require less capital
  - Suitable for rural industrialization
  - Require highly advanced technology
9. .... is one of the biggest industrial disasters in India.
- Shakti Paper Mill Gas Leak, Chattisgarh (May 7, 2020)
  - Neyveli NSE Lignite Corporation (NLC), boiler blast Tamil Nadu, 1st July 2020
  - Bhopal Gas tragedy 1984
  - LG Polymers gas leak, Visakhapatnam (May 7, 2020)
10. A Schedule bank is one which has .....
- Fixed deposits of Rs. 5 lakhs
  - Demand deposit of Rs. 5 lakhs
  - Term deposits of Rs. 5 lakhs
  - Paid up capital and reserve not less than Rs. 5 lakhs
11. Insurance Regulatory and Development Authority's role is to .....
- Protect the interest of holders of insurance policy
  - Regulate and promote the insurance industry
  - Both A & B
  - Promote the industrial sector in India
12. SEBI was set up as a statutory body in .....
- 1992
  - 1988
  - 1993
  - 1991

**Q1 B. State whether the following statements are TRUE or FALSE. (Any 10)**

10

1. Structural reforms are long-term measures to improve the supply side of the Indian economy.
2. Primary Health Centers exist in semi-urban areas with populations between 80000 to 120000.
3. Atal pension Yojana provides pensions to workers in the unorganized sectors.
4. Land to the zamindars is the main objective of the Indian land reforms.
5. Public Distribution System is the responsibility of the Centre and State.
6. The limit of KCC is fixed on the basis of Operational land holding, cropping pattern, and scale of finance.
7. Full form of SIDBI is Strategic Industries Development Board of India.
8. Dump of chemicals, heavy metals and non-biodegradable materials by industrial units is an example of soil pollution.
9. The Service sector is also known as the Secondary sector.
10. Financial inclusion aims at providing financial services to Poor people.
11. Insurance density is falling in India.
12. SEBI has been set up to prevent malpractices in trading.

**Q2. Answer any two of the following:**

15

- A. Define social infrastructure. Discuss the Government measures to promote Education.
- B. Explain India's commitment to sustainable development.
- C. Discuss the role of FDI.

**Q3. Answer any two of the following:**

15

- A. Critically evaluate National Agricultural Policy 2000.
- B. Explain the sources of Agricultural finance in India.
- C. Discuss the measures taken by the government to improve agricultural marketing in India.

**Q4. Answer any two of the following:**

15

- A. What is disinvestment? Discuss the objectives of disinvestment policy in India.
- B. Explain the effects of industrial pollution in India.
- C. What are the recent trends in tourism industry in India? Discuss.

**Q5. Answer any two of the following:**

15

- A. Analyse recent trends in Indian banking industry in India.
- B. Explain the structure of Money market in India.
- C. Discuss reforms introduced in Indian capital market.

**Q6. Write short notes on any four of the following:**

20

- A. Multi-national corporations
- B. Agricultural price policy in India
- C. Competition Act 2003
- D. Growth of health care industry in India
- E. Trends in Insurance sector in India
- F. Structure of capital market in India



Time : 3 Hours

Total Marks : 100

1. All Questions are compulsory carrying 20 marks each
2. Exercise internal options wherever given
3. Figures to the right represent full marks to the question
4. All questions should be answered w.r.t assessment year 2022-23.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed

**Q.1 A Multiple Choice questions (any ten)**

(10)

1. Mumbai University is assessable under the Income Tax Act as :
  - a. An individual
  - b. An artificial juridical person
  - c. A local authority
  - d. A Company
2. Income from Business in London, controlled from India \_\_\_\_\_
  - a. is taxable only for resident
  - b. is taxable for non-resident
  - c. is taxable for ordinary resident and not ordinary resident
  - d. is exempt
3. Children hostel allowance is \_\_\_\_\_
  - a. Exempt upto Rs. 500 per month per child, upto maximum 2 children
  - b. Exempt upto Rs. 100 per month per child, upto maximum 2 children
  - c. Exempt upto Rs. 300 per month per child, upto maximum 2 children
  - d. is fully exempt
4. \_\_\_\_\_ is a person who is liable to pay tax / any other sum in India
  - a. Indian citizen
  - b. Resident in India
  - c. any person
  - d. An assessee
5. The maximum exemption for leave encashment, in the case of non-government employee is \_\_\_\_\_
  - a. Rs. 5,00,000
  - b. Fully Exempt
  - c. Rs. 10,00,000
  - d. Rs. 3,00,000
6. Family pension received is taxable under the head \_\_\_\_\_
  - a. Income from Salary
  - b. Income from House Property
  - c. Income from Capital gains
  - d. Income from Other sources
7. Which of the following will be taxable as Income from Other sources?
  - a. Sub-letting of a house
  - b. Letting of a house
  - c. Sale of a house
  - d. Resale of a house
8. Indexation will be allowed in case of \_\_\_\_\_
  - a. Short term capital gain only
  - b. Medium term capital gains only
  - c. Long term capital gains only
  - d. Both short term and long-term capital gains
9. \_\_\_\_\_ is allowed as a deduction while computing business income
  - a. Wealth tax
  - b. Income tax
  - c. Goods and Services tax (GST)
  - d. Gift tax
10. CII refers to \_\_\_\_\_
  - a. Cost Inflation Index
  - b. Cost Improvement Index
  - c. Cost Income Index
  - d. Cost Indicator Index



11. Section 80 E covers deduction for payment of \_\_\_\_\_
- Interest on loan taken for Higher education
  - Donations made to specified funds and charitable institutions
  - Premium Paid for medical insurance
  - Contribution to Provident Fund

12. Unrealised rent is normally adjusted from \_\_\_\_\_
- Gross Annual Value
  - Net Annual Value
  - Municipal Value
  - Standard rent

**Q.1 B State whether the following statements are True or False (any Ten) (10)**

- Residential Status and Citizenship both are not different from each other.
- Income from smuggling is not taxable under the Income Tax Act, as it is illegal.
- Gratuity received by Government employee at the time of his retirement is Partially exempt from tax.
- Municipal taxes are deductible from the Gross Annual Value only when they accrue.
- In case of short-term capital asset (listed shares), the minimum holding period should be 24 months.
- Maximum Deduction U/s 80 C is of Rs. 1,50,000.
- Gift received by a doctor from his patient, in the course of discharge of his profession, is taxable under the head income from Business/ Profession.
- Capital gain arises on transfer of capital asset.
- Income from Self occupied property is either NIL or Negative.
- Interest credited to Recognized Provident Fund in excess of 9.5% p.a is taxable under the head salary.
- If an Individual fails to satisfy both the Basic conditions specified in Sec. 6(1) for residential status determination, he will be treated as Non-Resident.
- Mumbai Mahanagar Palika is Local Authority.

**Q2 A:**

Mr. Khushal works with M/s Pooja Traders. He gives you the following information for the year ended 31<sup>st</sup> March, 2022. (20)

Particulars	Rs.
1. Basic salary	50,000 per month
2. Dearness allowance	15,000 per month
3. Arrears of salary (not taxed earlier)	30,000
4. Bonus received	40,000
5. Conveyance allowance received (Amount spent Rs.15,000)	22,000
6. House rent allowance [Exempt u/s 10(13A) Rs.50,000]	1,20,000 per annum
7 Entertainment allowance received	1,000 per month
8. Perquisite value of Gas, water and Electricity	11,000 per annum
9. Profession tax deducted from salary	2,500 per annum
<b>Other Information:</b>	
10. Interest on term deposits with companies	12,000
11. Dividend received from foreign company	10,000
12. Interest on saving bank account with State bank of India	15,000
13. Royalty received	20,000
14. Director's sitting fees received	25,000
15. Interest received on PPF A/c	18,000
16. He paid medical insurance premium by cheque for self.	22,500

Compute his taxable income for the Assessment year 2022-23



OR

**Q2.B :** Mr. Ram, a physically disabled person (35%), provides you the following details for the Assessment year 2022-23. You are required to compute taxable income under the Income tax Act 1961.

Details of Let out House Property:

Municipal valuation Rs.12,00,000. Fair Rent Rs. 15,00,000, Standard Rent Rs.16,00,000

Monthly rent Rs.1,50,000. Municipal tax paid by Mr. Ram Rs.75,000

Interest on loan taken for the construction of this house property Rs. 5,00,000 for the current previous year.

During the previous year, he has received interest of Rs.90,000 (on 10% Debentures of Rs. 9,00,000). In addition to this, he received Dividend of Rs.50,000 from a company based in China and also earned interest on savings bank account of Rs. 10000/-

He has received Rs.10,000 as Award for best article written on Direct taxes. Mr. Ram has paid LIC premium in cash Rs. 50,000. Mr. Ram has won prize money of Rs.2,00,000 from Lottery. He has received Rs.25,000 as Royalty on books. Expenditure in this connection with preparation of manuscript is Rs.2,500 and on purchase of books is Rs. 2000. He has received Rs.5,00,000 on Maturity of LIC policy. He has incurred Rs. 500 towards the purchase price of a lottery ticket. (20)

**Q.3 A :** Mr. Ansh More furnishes you the following information for the year ended 31-03-2022.

**Profit and Loss Account for the year ended 31st March, 2022**

Expenses	Rs.	Income	Rs.
To Salaries	2,40,000	By Gross Profit	8,00,000
To Printing and Stationery	20,000	By Winning from Lotteries	1,50,000
To Travelling & Conveyance	30,000	By NSC Interest Accrued	10,000
To Rent	60,000	By Dividend from Indian Company (TDS of Rs.2000)	40,000
To Entertainment Expenses	15,000		
To Advertisement Expenses	45,000		
To Depreciation	32,000		
To Advance Income Tax	10,000		
To Wealth Tax	8,000		
To Embezzlement by an employee	20,000		
To Drawings	88,000		
To Staff Welfare Expenses	65,000		
To Net Profit	3,67,000		
Total	10,00,000	Total	10,00,000

**Other Information:**

- Salaries Include Rs. 40000/- paid to his friend. The same is considered as reasonable as per Income tax Rules.
- Depreciation allowable as per Income Tax Rules is Rs. 42,000.
- Half of the Rent is attributable towards his residential flat.
- Staff Welfare expenses include 15,000 incurred for medical treatment of his physically handicapped elder brother (60%), who is also financially dependent on him.
- He spent Rs.1,000 for purchase of lottery tickets and invested Rs. 45000 in Pension Fund of LIC. Both the amounts are debited to Drawings above.

You are required to compute his total taxable income for the Assessment Year 2022-23. (20)

OR



**Q.3 B :** Ms. Arpana Dsouza, proprietor of APD and Associates, is a differently abled person with inability to hear (disability 45%), provides you the following information for the year ended 31<sup>st</sup> March 2022.

**Profit and Loss Account for the Year ended 31st March, 2022**

Expenses	Rs.	Income	Rs.
To Salaries	12,50,000	By Gross Profit	15,70,000
To Bad Debts written off	10,000	By Income Tax Refund (including	
To Printing expenses	11,000	Interest 12,000)	80,000
To Conveyance	30,000	By UTI Dividend	40,000
To General expenses	43,000	By Gift from a Friend	10,000
To GST Penalty	9,000		
To Fire Insurance Premium	24,000		
To Wealth Tax	36,000		
To Depreciation	1,80,000		
To Repairs & Maintenance	87,000		
To Net Profit	20,000		
Total	17,00,000	Total	17,00,000

**Additional Information:**

1. Depreciation allowable as per Income Tax Rules - Rs.1,62,000.
2. General expenses include payment of Rs.32,000, paid in cash on 16-08-2021.
3. Salaries include salary to proprietor - Rs.4,80,000. Out of this salary, he deposited Rs.1,00,000/- in approved tax saver mutual fund.
4. Printing expenses include Rs.8,000 for printing of marriage invitation cards of his brother's son.
5. He paid tuition fees to a school of Rs.15,000 for his school going daughter, which is included in General Expenses.
6. He paid interest of Rs.45,000 on education loan taken from Bank of India for his son, pursuing post-graduate degree in medicine from University of Mumbai.

You are required to compute his total Taxable Income for the Assessment Year 2022-23. (20)

**Q.4 A :** Mr Prakash Desai purchased a house Property for Rs 18,40,000 on 5<sup>th</sup> December 1999. He incurs Rs.10000 for registration of the property.

He made further improvement in the financial year 2006-07 and financial year 2013-14, where he constructed second and third floor for Rs 2,50,000 and Rs 5,00,000 respectively.

During the previous year 2021-22, on 12<sup>th</sup> November 2021 he sold the property for Rs 2,85,00,000, and paid brokerage of 2% on the sale value. The fair market value of the property on 1.4.2001 was Rs 18,25,000

He invested Rs 1,50,00,000 in a new residential property on 25-01-2022 and also invested Rs 40,00,000 in REC bonds on 25-03-2022

Compute his Capital Gains for the Assessment Year 2022-23 (10)  
Relevant Cost Inflation Indices are as follows :

Previous Year	Cost Inflation Index
2001-02	100
2006-07	122
2013-14	220
2021-22	317



**Q.4 B :** Mr. Peter is a U.K. citizen, He came to India on 1<sup>st</sup> January, 2022 for a visit and was in India till 31<sup>st</sup> March, 2022.

In earlier previous years, the details of his stay in India as follows:

(10)

Previous Year	No. of days stay in India
2014-15	100
2015-16	115
2016-17	185
2017-18	199
2018-19	92
2019-20	24
2020-21	185

Find out his residential status for the Assessment year 2022-23 assuming that he is not a person of Indian origin.

OR

**Q.4 C :** Mr Aniket Bhide purchased a house Property for Rs 15,50,000 on 16<sup>th</sup> December 2001.

He constructs a first floor during the financial year 2009-10 for Rs 3,00,000. He made further improvement in the financial year 2015-16 and financial year 2018-19, where he constructed second and third floor for Rs 4,50,000 and Rs 8,00,000 respectively.

During the previous year 2021-22, on 15<sup>th</sup> February 2022 he sold the property for Rs 2,75,00,000, and paid brokerage of 2% on the sale value. The fair market value of the property on 1.4.2001 was Rs 16,25,000.

He invested Rs 1,65,00,000 in a new residential property on 25.2.2022 and also invested Rs 55,00,000 in REC bonds on 25-03-2022

Compute his Capital Gains for the Assessment Year 2022-23

(10)

Relevant Cost Inflation Indices are as follows

Previous Year	Cost Inflation Index
2001-02	100
2009-10	148
2015-16	254
2018-19	280
2021-22	317

**Q.4 D:** Mr. Kamlesh has earned the following income during the previous year ended on 31<sup>st</sup> March, 2022.

(10)

Particulars	Rs.
1. Income earned in India but received in Paris	2,00,000
2. Income from business in U.K. controlled from India	1,00,000
3. Salary earned and received in Dubai	75,000
4. Rent received from house in Pune	50,000
5. Income from business in Mumbai, controlled from Sri Lanka	25,000
6. Past untaxed profit earned outside India, brought to India	90,000
7. Savings Bank Interest from State Bank of India, Paris Branch	10,000
8. Agricultural Income from a land in Ireland	80,000

Compute his total income for the assessment year 2022-23 assuming as follows:

- a) He is Resident and Ordinarily Resident
- b) He is Resident but not Ordinarily Resident

**Q.5 A.**

Discuss the exemptions available under section 10 of the Income Tax Act, 1961 in respect of:

- a. Commuted Pension
- b. Leave Salary

(10)

**Q.5 B.** State any ten disallowable expenses under the head "Profits/Gains from Business / Profession".

(10)

**OR**

**Q.5 C : Write Short Notes (Any 4)**

(20)

- a) "Deductions" under the head of Salary
- b) Conditions to claim Depreciation under Income Tax Act, 1961
- c) Deduction u/s 80 E of the Income Tax Act, 1961
- d) Concept of Indexation under the head "Capital Gains"
- e) Define : Assessee
- f) Define : Person

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**TIME : 3 HRS.**

(TOTAL : 100 MARKS)

1. ALL QUESTIONS ARE COMPULSORY.  
2. MARKS ARE INDICATED AGAINST EACH QUESTION

1. (A) Select the most appropriate answer from the options given below (ANY TEN)(10)

1. \_\_\_\_\_ concept of marketing assumes that customers will prefer those products which are aggressively promoted.  
a) Selling                      b) Production  
c) Exchange                  d) Societal
2. \_\_\_\_\_ involves gathering, recording, analysing data about specific marketing problems.  
a) Marketing Mix              b) Marketing Information System  
c) Marketing Research        d) Market Segmentation
3. \_\_\_\_\_ segmentation is done on the basis of usage rate, user status, loyalty pattern and buying motives.  
a) Geographic                  b) Demographic  
c) Behavioral                    d) Sociographic
4. \_\_\_\_\_ refers to protective covering of the product used in safely handling goods.  
a) Packing                      b) Branding  
c) Positioning                  d) Product Safety
5. \_\_\_\_\_ is the internal factor affecting Pricing  
a) Consumers                  b) Quality  
c) Competition                 d) User
6. \_\_\_\_\_ is the effort aimed at creating and maintaining in the mind of target customers the intended image for the brand, relative to other brands.  
a) Name Positioning            b) Product Life Cycle  
c) Product Positioning         d) Customer Relationship Management
7. Advertising enables to counter claims of the \_\_\_\_\_ products.  
a) Suppliers'                    b) Competitors'  
c) Customers'                  d) Society's
8. \_\_\_\_\_ is one of the components of Sales Management.  
a) Consumer Survey            b) Warehousing  
c) Packaging                     d) Performance Appraisal



9. \_\_\_\_\_ is the personal communication of information, to persuade someone to buy something.
- a) Personal Selling
  - b) Sales Promotion
  - c) Direct Marketing
  - d) Advertising
10. Recycling is an example of \_\_\_\_\_
- a) Consumer Protection
  - b) Corporate Image
  - c) Green Marketing
  - d) Distribution Management
11. Rural Markets are highly \_\_\_\_\_
- a) Scattered
  - b) Polarised
  - c) Categorised
  - d) Globalised
12. A diverse product portfolio reduces \_\_\_\_\_ for the marketers
- a) Profit
  - b) Sales
  - c) Risk
  - d) Competitiveness

(B) State whether the following statements are True OR False: (ANY TEN) (10)

1. Strategic Marketing Management emphasizes on Customer Satisfaction.
2. Marketing Research is not applied research.
3. Market Segmentation refers to subdividing a larger market into smaller markets.
4. Patenting the product gives exclusive marketing rights for a certain number of years.
5. Charging a comparatively high price while introducing the product is called as skimming the cream pricing strategy.
6. Service positioning helps in targeting customers effectively.
7. A zero level channel is one in which there are multiple intermediaries.
8. Advertising is an element of promotion mix.
9. Material handling is an important element of logistics.
10. Attacking the competitor directly is called as Flank attack.
11. Product testing is a strategy to expand market share.
12. In a competitive market the product life cycle is short.

Q.No.2 Answer ANY TWO of the following:

(15)

- a) What is Marketing? Explain its importance.
- b) What is Marketing Information System? Explain its components.



- c) What do you mean by Customer Relationship Management? Discuss its techniques.

Q.No.3 Answer ANY TWO of the following:

(15)

- a) Explain different product decision areas that a firm needs to handle.
- b) Explain the challenges in Service positioning.
- c) State various pricing strategies in detail.

Q.No.4 Answer ANY TWO of the following:

(15)

- a) Define the concept of Physical Distribution. explain the contemporary channels of distribution
- b) Define Promotion. Explain its importance.
- c) What are the skills required for effective selling.

Q.No.5 Answer ANY TWO of the following:

(15)

- a) Explain the marketing strategies by a follower.
- b) What are the trends in Digital Marketing
- c) Explain the reasons for failure of brands with suitable examples

Q.No.6 Write short Notes (ANY FOUR)

(20)

- a) Functions of Marketing.
- b) Benefits of Market Segmentation.
- c) Branding.
- d) Components of Supply Chain Management (SCM).
- e) Integrated Marketing Communication (IMC).
- f) Green Marketing.

\*\*\*\*\*



Time : 3 Hours

Marks : 100

- N.B. 1. All Questions are compulsory.  
 2. Figures to the right indicate full marks.  
 3. Use of Simple calculator is allowed.  
 4. Working notes should form part of your answer.

Q1 A State whether the following statements are True or False ( Any Ten) (10)

- 1) AS 14 is applicable for the Investment Accounting
- 2) Partly paid-up shares can be bought back
- 3) General Reserve is a non-free reserve
- 4) Sundry Creditors are shown in Trade Payables
- 5) Company is not liquidated in Internal Reconstruction
- 6) Company has to spend 5% of the Net Profit for the Corporate Social Responsibility
- 7) Ethics are the rules which should be followed by all
- 8) Profit and Loss Account and Security premium are also the sources of buy back of shares
- 9) Loss on sale of investment is debited to profit and Loss Account
- 10) In Company Balance Sheet, Capital Reserve is shown in the head of Share Capital.
- 11) Claims forgone by creditors are debited in the capital reduction account
- 12) Computer Software is the intangible asset.

Q1 B Rewrite the following sentences choosing the correct answer (Any Ten) (10)

- 1) Interest on Debenture is calculated on \_\_\_\_\_ (Market Price /Face Value /Fair Value)
- 2) Bills Payable is shown under \_\_\_\_\_ (Inventories/Other current Liabilities/Trade Payables)
- 3) The word 'ethics' is derived from \_\_\_\_\_ (Latin/French/Greek)
- 4) Statutory Audit is conducted by \_\_\_\_\_ (Director/internal Auditor/External Auditor)
- 5) Employee Salary is shown under \_\_\_\_\_ (Finance Costs/Employee Benefits Expense/Other Expenses)
- 6) Interest on Bank Loan paid is shown under (Other Expenses/Other Income/ Finance Costs)
- 7) Sub division of shares is \_\_\_\_\_ (Value of shares reduced/ Value of Shares Increased/No Changes in Value of shares)
- 8) Debt Equity Ratio after buy back of shares should be in \_\_\_\_ (1:1/ 1:2/ 2:1)
- 9) Surrender of shares means \_\_\_\_\_ (Giving up possession of shares/Forfeiture of shares/Buyback of shares)
- 10) Dividend on Equity Shares are ascertained on the basis of \_\_\_\_\_ (Authorised Capital/Paid up Capital/Issued Capital)
- 11) Before Buy back all the shares must be \_\_\_\_\_ (Fully paid up/ Partly paid up/ Fully subscribed)
- 12) Cheque on hand should be shown under the head of \_\_\_\_\_ (Other Current Assets/ Inventories/ Cash and Cash Equivalents)



Q2 A Trial Balance as at 31.3.2022 of GAGAN Ltd is as under.

Particulars	Debit (Rs.)	Credit (Rs.)
Stock as on 1.4.2021	1,00,000	
Purchases and Sales	4,82,500	7,60,000
Return Inwards and Return outwards	7,000	12,500
Machinery	75,000	
Factory Building	1,00,000	
Computer	50,000	
Sundry Debtors and Creditors	81,500	63,000
Bank Interest paid	3,000	
Cash at Bank	20,000	
Cash in hand with cashier	5,500	
Share issue Expenses	15,000	
Productive Wages	45,000	
Fuel	30,000	
Directors Sitting fees	5,000	
Audit fees	3,000	
Administrative expenses	15,000	
Salaries	25,000	
Stock Insurance	3,750	
Repairs to Computer	6,250	
Loan from Bank (secured)		27,000
Called up Capital. 1,200 shares of 100 each		1,20,000
Securities premium		30,000
General reserve		35,000
Profit and Loss statement balance 1.4.2021		25,000
<b>Total</b>	<b>10,72,500</b>	<b>10,72,500</b>

Closing Stock as on 31.3.2022 was 1,53,000.

Trade Payables include Rs. 10,000 outstanding dues of micro enterprises and small enterprises.

Prepare statement of Profit and Loss for the year ended 31st March, 2022 and Balance sheet as on that date of GAGAN Limited as per the requirement of Companies Act of 2013.

OR

Q2 B The following is the Balance Sheet of Vaibhav Shipping Limited as at 31st March, 2022

Liabilities	Rs.	Assets	Rs.
<b>Share Capital :</b>		<b>Fixed Assets:</b>	1200000
1,00,000 Equity Shares of Rs.10 each fully paid	10,00,000		
<b>Reserve and Surplus:</b>		Investment in Bonds	3,00,000



Security Premium	3,00,000	<b>Current Assets, Loans and Advances</b>	
General Reserves	4,00,000	Other current Assets	4,00,000
Profit and Loss Account	3,00,000	Bank Balance	9,00,000
<b>Secured Loan:</b>			
10% Debentures	5,00,000		
Unsecured Loans	1,00,000		
<b>Current Liabilities and Provisions:</b>			
Creditors	2,00,000		
<b>Total</b>	<b>28,00,000</b>	<b>Total</b>	<b>28,00,000</b>

The company decides to buy back the maximum number of equity shares as may be permitted by law at a price of Rs. 20 per share, being the current market price. Pass journal entries in the books of Vaibhav Shipping Limited assuming that buy back is carried out. (Do not prepare Balance Sheet).

**Q2 C** On 1<sup>st</sup> February 2022, Ms. Urvi bought 100, 12% Debentures of SJ Ltd. Rs. 94 each ex-interest. On 30<sup>th</sup> April 2022 she again purchased 250, 12% Debentures at Rs. 103 each cum-interest. On 1<sup>st</sup> November 2022 she sold 150 Debentures at Rs. 99 each ex-interest. (10)

Interest is paid half-yearly on 30<sup>th</sup> June and 31<sup>st</sup> December, every year.

Prepare Investment in 12% Debentures Account in the books of Ms. Urvi. for the year ended 31<sup>st</sup> March 2023. Notes should be part of your answer.

**Q3 A** Mr. Swanand was dealing in 12% Debentures of RS Ltd having face value Rs. 100 each. He furnished the following details about its transactions: (20)

- 01/04/2022- Opening balance- 3,000 Debentures, cost Rs. 2,50,000
- 01/06/2022- Purchased 1,200 Debentures at Rs. 96 each Cum Interest.
- 01/08/2022- Sold 500 Debentures Rs. 99 each Cum Interest.
- 01/12/2022- Purchased 800 Debentures at Rs. 93 Ex Interest.
- 01/02/2023- Sold 1500 Debentures Rs. 90 each Ex- Interest.

Interest being payable on 31<sup>st</sup> March and 30<sup>th</sup> September every year. The market value of the Debentures on 31<sup>st</sup> March 2023 was at Rs. 93 each. Debentures are valued at lower of cost or market price.

Prepare Investment in 12% Debentures Account for the year 2022-23. Apply AS-13.

OR

**Q3 B** Following is the Balance sheet of TQM Ltd. as on 31<sup>st</sup> March, 2023. (20)

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Equity Share capital (Shares of Rs. 100 each)	50,00,000	Fixed Assets	75,00,000
10% Preference Share Capital	10,00,000	Goodwill	5,00,000
Bank Loan	22,00,000	Investments	30,00,000
		Debtors	15,00,000



O/s Salaries	28,00,000	Stock	25,00,000
8% Debentures	40,00,000	Bank balance	36,00,000
Creditors	30,00,000	Preliminary Exp.	4,00,000
Bills Payables	10,00,000		
	<b>1,90,00,000</b>		<b>1,90,00,000</b>

**Note:** - Preference dividend is in arrears for three years.

The following scheme of reconstruction was submitted & approved by the court.

1. Equity Shares of Rs.100/- each fully paid were reduced to the denomination of Rs. 40/- each fully paid.
2. 10% Preference shares be reduced to Rs. 50/- each.
3. Rs. 15,00,00/- be paid to Preference shareholders in lieu of arrears of Preference dividend.
4. Fixed assets be appreciated by 25% & provision be made for doubtful debts at 5% on debtors.
5. Investments of Rs. 3,50,000, miscellaneous exp & goodwill written off.

Give journal entries for the above scheme of reconstruction. Prepare Capital Reduction Account in the books of TQM Ltd. & Balance sheet of the company after reconstruction.

**Q4 A** The Balance Sheet of Solarfield Limited as at 31 March 2022 is as follows: (20)

Particulars	Notes No.	Amt Rs.
<b>I. Equity and Liabilities</b>		
1. Shareholders' Funds:		
a) Share Capital	1	5,00,000
b) Reserves and Surplus	2	7,60,000
<b>2. Share Application Money Pending Allotment</b>		-
<b>3. Non-current Liabilities:</b>		
a) Long-term Borrowings	3	1,10,000
<b>4. Current Liabilities:</b>		
a) Other Current Liabilities		4,00,000
<b>Total</b>		<b>17,70,000</b>
<b>II. Assets</b>		
<b>1. Non-current Assets :</b>		
a) Property, Plant & Equipment and Intangible Assets		
i) Property, Plant & Equipment.		2,00,000
b) Non-current Investments		12,00,000
<b>2. Current Assets:</b>		



a) Current Investments	-
b) Inventories	85,000
c) Trade Receivables	2,00,000
d) Cash and Cash Equivalents	85,000
<b>Total</b>	<b><u>17,70,000</u></b>

### Notes to Accounts

#### Particulars

Rs.

#### 1. Share Capital:

##### Authorised Capital:

1,00,000 Equity Shares of 10 each

10,00,000

Issued, Subscribed and Paid-up Capital:

50,000 Equity Shares of 10 each fully paid

5,00,000

#### 2. Reserve and Surplus:

General Reserve

60,000

Securities Premium

5,00,000

Profit and Loss Balance

2,00,000

7,60,000

#### 3. Long-term Borrowings

12% Debentures

50,000

Term Loan

60,000

1,10,000

The terms of buyback as per resolution passed was as under;

- Buy back 10% of the paid-up capital @ Rs. 12 each.
- Sell investments worth Rs. 1,00,000 for Rs. 80,000.
- Issue 1,000, 8% Debentures of Rs.100 each at a premium of 10% to finance the buy back of shares.
- Maintain a balance of Rs. 50,000 in General Reserve account

Pass necessary Journal Entries and prepare Balance Sheet immediately after the buy back in the books of Solarfield Limited.

OR

**Q4 B** Following is the Balance Sheet of Damyanti Ltd. as on 31st March, 2023.

(10)

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	4,00,000	Fixed Assets	7,00,000
(Share of Rs. 10 each)		Goodwill	50,000
10% Preference Share		Investments	50,000
Capital	1,00,000	Bank balance	7,00,000
Bank Loan	1,50,000		

26592

Page 5 of 14



O/s Salaries	2,00,000	Other Current Assets	1,00,000
9% Debentures	7,00,000	Preliminary Exp.	50,000
Bills Payables	70,000		
Sundry Creditors	30,000		
	<b>16,50,000</b>		<b>16,50,000</b>

The following scheme of reconstruction was submitted & approved by the court.

1. 10% Preference Shares of the Rs.100/- each fully paid were reduced to 13% Preference Shares of Rs.75 each.
2. Equity Shares of Rs.100/- each fully paid were reduced to the denomination of Rs. 30/- each.
3. Fixed assets be appreciated by 25% & provision be made for doubtful debts at 5% on debtors.
4. Investments, Miscellaneous Exp & Goodwill written off.

Give journal entries for the above scheme of reconstruction of Damyanti Ltd.

**Q4 C** Maya Enterprise Private Limited furnishes you with the following Trial balance as on 31<sup>st</sup> March, 2022. (10)

Particulars	Debit (Rs.)	Credit (Rs.)
Cash in Hand	50,000	
Balance with Bank	1,00,000	
Sundry Debtors	1,75,000	
Investment in Debentures of Tata Ltd	2,00,000	
Stock at cost	75,000	
Advance Income Tax paid	2,00,000	
Provision for Income Tax		1,75,000
Sundry Creditors		1,50,000
Equity Share Capital ( FV Re. 1 each)		5,00,000
Profit & Loss Account		2,00,000
Advance received from customer		50,000
Provision for Doubtful Debts		25,000
Fixed deposits with IDBI Bank (maturity on 31.7.2022)	2,50,000	
General Reserve		1,00,000
Fixed Assets	2,10,000	
Accumulated depreciation		60,000
<b>Total</b>	<b>12,60,000</b>	<b>12,60,000</b>

The directors have proposed to maintain final equity dividend @ 15% and appropriation of Rs. 1,00,000 to General Reserve.

Creditors include Rs. 4,00,000 payable to MSME

Prepare Balance Sheet as at 31st March, 2022 as required by the Companies Act, 2013.



**Q5 A** What are the determinants of amount of buy back of shares? **(10)**

**Q5 B** What is Internal Reconstruction? How the accounts are affected? **(10)**

**OR**

**Q5 C** Write Short Notes (Any Four) **(20)**

- 1) Buy back of shares
- 2) Fixed and Variable Income Investments
- 3) Role of Whistle Blowing
- 4) Objectives of Ethics Education
- 5) Statement of Profit and Loss
- 6) Pre Acquisition Dividend and Post Acquisition Dividend

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TIME : 3 HRS.

(TOTAL : 100 MARKS)

1. ALL QUESTIONS ARE COMPULSORY.
2. MARKS ARE INDICATED AGAINST EACH QUESTION

1. (A) Select the most appropriate answer from the options given below (ANY TEN)(10)

1. \_\_\_\_\_ concept of marketing assumes that customers will prefer those products which are aggressively promoted.
  - a) Selling
  - b) Production
  - c) Exchange
  - d) Societal
2. \_\_\_\_\_ involves gathering, recording, analysing data about specific marketing problems.
  - a) Marketing Mix
  - b) Marketing Information System
  - c) Marketing Research
  - d) Market Segmentation
3. \_\_\_\_\_ segmentation is done on the basis of usage rate, user status, loyalty pattern and buying motives.
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  - a) Packing
  - b) Branding
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  - d) Product Safety
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  - a) Consumer Survey
  - b) Warehousing
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  - d) Performance Appraisal



9. \_\_\_\_\_ is the personal communication of information, to persuade someone to buy something.
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- a) Consumer Protection      b) Corporate Image  
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c) Categorised      d) Globalised
12. A diverse product portfolio reduces \_\_\_\_\_ for the marketers
- a) Profit      b) Sales  
c) Risk      d) Competitiveness

(B) State whether the following statements are True OR False: (ANY TEN) (10)

1. Strategic Marketing Management emphasizes on Customer Satisfaction.
2. Marketing Research is not applied research.
3. Market Segmentation refers to subdividing a larger market into smaller markets.
4. Patenting the product gives exclusive marketing rights for a certain number of years.
5. Charging a comparatively high price while introducing the product is called as skimming the cream pricing strategy
6. Service positioning helps in targeting customers effectively.
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- c) What do you mean by Customer Relationship Management? Discuss its techniques.

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- a) Explain the marketing strategies by a follower.
- b) What are the trends in Digital Marketing
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(20)

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- b) Benefits of Market Segmentation.
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- d) Components of Supply Chain Management (SCM).
- e) Integrated Marketing Communication (IMC).
- f) Green Marketing.

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