

BUSINESS LAW

SYBAF-SEM 3

Max. Marks : 20.

Internal Examination

Duration: 50 Min

Q.1.A Multiple choice questions

(2.5 Marks)

1. LLP Act came into force in the year..... (2002,2008,2004,NONE)
2. LLP is a(body corporate,not a body corporate,company,firm)
3. Liability of partner in LLP is(Joint,limited,joint & several,unlimited)
4. Minimum number of persons required for LLP is ...(2,3,4,5)
5. Registration of LLP is(compulsory,optional,no registration,compulsory in Maharashtra)

Q.1.B State whether the following are True or False

(2.5 Marks)

1. Provisions of Companies Act do not apply to LLP,2008
2. LLP is an association
3. All the partners must be resident in India
4. Winding up of LLP is executed by Central Government
5. Partners are the agent of another partner in case of LLP

Q.2 Answer in 1-2 sentences

(5 Marks)

1. Define LLP
2. What do you mean by limited liability in LLP?
3. What is "Perpetual Succession"?
4. What is LLP Agreement?
5. Explain the term "Insolvency"?

Q.3 Answer in brief (any 2 out of 3)

(10 Marks)

- a) State and explain the salient features of LLP?
- b) What are the advantages and disadvantages of LLP?
- c) Define designated partners? What are the liabilities of a designated partners?

21st Aug
10am - 11 am

REENA MEHTA COLLEGE OF COMMERCE AND MANAGEMENT

TAXATION

SYBAF - SEM 3

Max. Marks : 20.

Internal Examination

Duration: 50 Min

Q.1:- Mr. Tom, a British citizen had the following income during the year ended on 31st March, 2017.

1. Income from House Property in India	15,000
2. Income from Property in Rome	10,000
3. Interest from bank account in India	1,200
4. Income from business in Bangladesh, being controlled from India.	16,000
5. Interest on bank account in U.S.A.	11,000
6. Salary earned and received in Tokyo	12,000

Compute his total income for the assessment year 2017-18, if he is :

a) A Resident; b) A Resident but not ordinary Resident, c) A Non-Resident.

[06]

Q.2 :-Mr. X is a U.S.A. citizen. He came to India on October 15, 2016 for a visit and was in India till 31st Mar,2017. In earlier previous years, he is in India as under [07]

2006-07	188 days	2010-11	40 days	2014-15	100 days
2007-08	190 days	2011-12	300 days	2015-16	200 days
2008-09	185 days	2012-13	195 days		
2009-10	200 days	2013-14	185 days		

Find out the residential status of Mr. X for the assessment year 2017-18 assuming that he is not a person of India origin.

Q.3:-Mrs. Kareena Sharma who is an Indian citizen went for employment to Muscat on 1st April. 2012 and since then came on visit for the first time to India on 01-07-2016 and left for Muscat on 28-12.2016.

Determine her residential status for A.Y 2017-18 stating explanation for your answer.[07]

**REENA MEHTA COLLEGE OF COMMERCE & MANAGEMENT STUDIES
INTERNAL EXAM 2017-2018**

SUBJECT: ADVANCED COMPUTER

DATE: 21/8/2017

CLASS: SYBMM

MARKS: 20

NOTE: ATTEMPT ANY 4 QUESTIONS.

(20 MKS)

1. Why is E- marketing important?
2. Write short note on – Demographics and Targeting
3. Explain in details what is HTML 5?
4. Explain HTML forms and various tags associated with forms.
5. Write short note on adaptively and closed loop.
6. Create a webpage using the following tags:
 1. Paragraph
 2. Bold/ Italic/ Underline
 3. At least 2 different heading tags
 4. Background color
 5. Superscript

----- **ALL THE BEST** -----

REENA MEHTA COLLEGE OF COMMERCE AND MANAGEMENT STUDIES

INTERNAL EXAMINATION

SYBAF SEM:- 3

Date: 29/08/2018

Max. Marks : 20.

SUBJECT NAME: Business Law 2

Duration: 45 Min

Q.1.A. Fill in the Blanks:-

(2 ½ Marks)

- (1) Every partner is both an agent and a principle which is called_____
- (2) A minor is given _____ months to decide whether or not he wants to become a partner.
- (3) A new partner can be admitted with the _____ of existing partner.
- (4) In a factory _____ process must be carried out.
- (5) _____ is responsible for affairs of factory.

Q.1.B. True or false :-

(2 ½ Marks)

- (1) A person who has ultimate control over the factory affairs is the Manager.
- (2) Indian partnership Act 1932 is governed by State Government.
- (3) Every partner is liable to the acts of the Firm.
- (4) Expulsion of partner is not possible.
- (5) When registered firm is dissolved publication in official Gazette is necessary.

Q.2. Answer in one-two sentences each:-

(5 marks)

- (1) Define Partnership.
- (2) Mention any two types of Partnership.
- (3) Mention any two rights of minor during minority.
- (4) What is factory under factories act 1948.
- (5) Mention two modes of Retirement of Partner.

Q.3. Answer the following in detail. (ANY 2/3)

(10 marks)

- (1) Explain the process of Dissolution of Firm.
- (2) Explain Provision For Health , Safety , Welfare under Factories Act 1948.
- (3) Explain the Rights and Duties of Partners in Partnership Firm.

N.B.1) All questions are compulsory.

Total Marks: 75

2) Figures to the right indicate full marks.

Time: 2 ½ Hrs

Q.1 A) Explain the following concepts. (Any Five) 15

1. Minorities
2. Constitutional and legal rights
3. Disaster
4. Drought
5. Blind belief
6. Technology
7. Self awareness
8. Team Building

Or

Q.1 B) Write a detailed note on the Foundation Course (Semester-III) Project submitted by you. 15

Q.2 A) Evaluate the position of STs in India and discuss the SC/ST (Prevention of Atrocities) Act, 1989. 15

Or

Q.2.B) Discuss the condition of Indian women with regard to the health, educational, and employment status. 15

Q3. A) Discuss some human rights issues in addressing disasters. 15

Or

Q.3. B) Explain the effects of droughts and suggest the measures to prevent it. 15

Q. 4 A) State the contribution of any four Scientist towards the growth of science. 15

Or

Q.4.B) Write a note on Science and Scientific Temper. 15

Q.5. A) Comment on the significance of developing effective listening skills. 15

Or

Q5.B) Explain the characteristics of effective leadership. 15

(मराठी रूपांतर)

सूचना : (१) सर्व प्रश्न अनिवार्य आहेत. एकूण गुण: ७५

(२) उजवीकडील अंक पूर्ण गुण दर्शवितात. वेळ: २:३० मी

प्रश्न १ अ) खालील संकल्पना स्पष्ट करा. (कोणत्याही पाच)

(१५)

१. अल्पसंख्यांक
२. घटनात्मक आणि कायदेशीर हक्क
३. आपत्ती
४. अवर्षण
५. अंधश्रद्धा
६. तंत्रज्ञान
७. स्वजागरूकता
८. संघ बांधणी

किंवा

प्रश्न १ ब) पायाभूत अभ्यासक्रम (सत्र-३) साठी तुम्ही सादर केलेल्या प्रकल्पावर सविस्तर टीप लिहा

(१५)

प्रश्न २ अ) भारतामधील अनुसूचित जमातीच्या स्थितीचे परीक्षण करा आणि अनुसूचित जाती/जमाती(अत्याचार प्रतिबंध) कायदा, १९८९ यावर चर्चा करा.

(१५)

किंवा

प्रश्न २ ब) आरोग्य, शैक्षणिक आणि रोजगार स्थितीच्या संदर्भात भारतातील महिलांची परिस्थिती यावर चर्चा करा.

(१५)

प्रश्न ३ अ) आपत्तीबाबत मानवी अधिकाराशी संबंधित काही समस्या यावर चर्चा करा. (१५)

किंवा

प्रश्न ३ ब) अवर्षणाचे परिणाम स्पष्ट करा आणि ते टाळण्यासाठीचे उपाय सुचवा. (१५)

प्रश्न ४ अ) विज्ञानाच्या वृद्धीतील कोणत्याही चार शास्त्रज्ञांचे योगदान सांगा. (१५)

किंवा

प्रश्न ४ ब) विज्ञान आणि वैज्ञानिकता यावर टीप लिहा. (१५)

प्रश्न ५ अ) प्रभावी श्रवणक्रिया विकसित करण्याचे महत्त्व यावर भाष्य करा. (१५)

किंवा

प्रश्न ५ ब) प्रभावी नेतृत्वाची वैशिष्ट्ये स्पष्ट करा. (१५)

~~SECRET~~
BY BAF

[Time 2:30 Hours]

[Marks: 75]

Please check whether you have got the right question paper

N.B: All question are compulsory.

Q1.A. Fill in the blank (Any 8) (8)

1. Provision of crèches in factories employing more than _____ workers.
2. There should be a shelter room for _____ workers in a factory
3. An irregular explosion is wholly _____ & _____
4. Sleeping partner need not give any _____ about its retirement from the firm
5. A firm may be dissolved with the _____ of all partners
6. A partner is entitled to interest at _____ per annum on any payment made by him
7. The test of the existence of partnership is _____
8. An unlisted _____ may be converted into a LLP
9. The _____ constitutes capital of LLP
10. _____ is a space enclosed by wall or fences.

Q1.B. Match the column (Any 7) (7)

- | Column A | Column B |
|---------------------------|------------------------------|
| 1. Precincts | a) Principal and agent |
| 2. Workers | b) Injurious to health |
| 3. Occupier | c) Space enclosed by wall |
| 4. Overcrowding | d) By order or court |
| 5. Complusory dissolution | e) Altering, repairing |
| 6. Manufacturing process | f) Controls the factory |
| 7. Partners | g) Person employed |
| 8. Adult | h) Impairment to health |
| 9. Young person | i) Child or an adolescent |
| 10. Hazardous process | j) Completed 18 years of age |

Q2.a) Mutual Agency is a true test of partnership? Explain? (15)
OR

Q2b) Explain the rights & liabilities of a partner on dissolution? (15)

Q3a) What is the provision of contribution under LLP Act? (15)
OR

Q3b) Define LLP? Explain its features, advantages? (15)

Q4.a) Explain the provision of Factories Act regarding health of workers? (15)
OR

Q4.b) Explain the provision under Factories Act regarding washing facilities, storing & Drying of Wet Clothing , First Aid Appliances & Sitting facilities? (15)

Q5.a) Explain the term Manufacturing Process under Factories Act? (8)

Q5.b) What are the restrictions on young & women workers? (7)

OR

Q5. Write Short Notes (Any 3) (15)

1. Provision as to drinking water
 2. Actual or Ostensible partner
 3. Compulsory Dissolution
 4. Holding out
 5. Safety officer
-

(2 ½ Hours)

[Total Marks: 75]

- N.B : (1) All questions are **compulsory**.
(2) **Figures** to the right indicate **full** marks.
(3) Draw **neat diagrams** wherever necessary.

Q1. Answer any TWO: **(15)**

- a) Discuss the circular flow of income and expenditure in three sector economy.
- b) Explain the features of trade cycle and discuss the characteristics of prosperity.
- c) What are the leakages of multiplier?

Q2. Answer any TWO: **(15)**

- a) Discuss the Keynesian approach towards demand for money.
- b) Explain the cost push inflation with the help of suitable diagram.
- c) What are the indirect methods of credit control adopted by RBI?

Q3. Answer any TWO: **(15)**

- a) Discuss the role of government in the provision of public goods.
- b) Explain the factors affecting the incidence of taxation.
- c) Discuss the structure of budget.

Q4. Answer any TWO: **(15)**

- a) Discuss the argument for protection.
- b) Explain the role of Multinational Corporations.
- c) What are the merits and demerits of fixed exchange rate?

Q5. (a) Conceptual Questions: (Any four out of six) **(08)**

- 1. Effective demand.
- 2. Velocity of circulation of money.
- 3. Revenue deficit.
- 4. Contra-cyclical fiscal policy.
- 5. Gross barter terms of trade
- 6. Fundamental disequilibrium in balance of payments.

(b) Multiple choice questions: (any seven) **(07)**

- 1. The total money value of final goods and services produced within a year within domestic territory of the country annually is called as -----.
- a) Gross Domestic Product
- b) Gross National Product
- c) Net National Product
- d) Net Domestic Product.

2. Marginal Propensity to Consume is the ratio of -----.
- a) Change in saving to change in income
 - b) saving to income
 - c) Consumption to income
 - d) change in consumption to change in income
3. Fishers equation of exchange is
- a) $MV = PT$
 - b) $M = KPY$
 - c) $V = M/P$
 - d) $P = M/KT$
4. Public expenditure is important for
- a) infrastructural development
 - b) balanced regional development
 - c) health facilities
 - d) all the above
5. The difference between the fiscal deficit and interest payment is called as -----
- a) Budget deficit
 - b) Primary deficit
 - c) Revenue deficit
 - d) Monetised deficit
6. FRBM Act was passed in the year -----
- a) 2004
 - b) 2000
 - c) 2003
 - d) 2001
7. Net barter terms of trade is expressed as the ratio of -----.
- a) Export price to import price
 - b) quantity of imports to exports
 - c) productivity index of export to import
 - d) none of the above
8. Ricardian theory of international trade is beneficial under -----.
- a) Comparative cost
 - b) absolute cost
 - c) equal differences in cost
 - d) none of the above

9. According to the modern theory of international trade, trade takes place due to -----.

- a) differences in factor endowments
- b) high inflation rate
- c) domestic exchange rate
- d) equal differences in cost.

10. Hedging operations helps the participants to -----.

- a) purchase foreign exchange
- b) sell foreign exchange
- c) cover the risk
- d) to earn profit.

11

12

13

Paper / Subject Code: 79810 / Cost Accounting (Methods of Costing) - II

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 form part of answer.

Q1 (A) Fill in the blanks with suitable words. (Any eight) (8)

- i. Sale of scrap is to contract account
- ii. Depreciation on Factory Assets is Cost.
- iii. expenses are not recorded in cost account.
- iv. Cost of Sales = Cost of goods sold +
- v. The portion of finished work for which a completion certificate had been received from architect or surveyor is called as
- vi. is the consideration for which a contract is undertaken.
- vii. Any loss arising in excess of the margin permissible for the normal loss is regarded as
- viii. The output of final process is transferred toaccount.
- ix. The abnormal gain isto process account.
- x. The party or the person who has assigned the contract to the contractor is called

Q1 (B) Write the following sentences stating whether these are true or false.(Any seven) (7)

- i. Process costing is useful for construction industry.
- ii. Coconut is not the basic input material for sugar factory.
- iii. Abnormal loss is also called as unavoidable loss.
- iv. Contract costing is a type of job costing.
- v. Special plants are used for a specific contract.
- vi. Notional rent is debited to profit and loss account.
- vii. Goodwill written off is not taken in cost account.
- viii. Indirect material is a part of prime cost.
- ix. Variable cost remains fixed per unit of output.
- x. Fixed cost remains fixed irrespective of level of output.

Q2 A). A product passes through three processes. The output of each process is treated as the raw material of the next process to which it is transferred and output of the third process is transferred to finished stock. 10,000 units have been issued to the Process-I and other details are as under- (15)

	Process-I	Process-II	Process-III
Materials issued	40,000	20,000	10,000
Labour	6,000	4,000	1,000
Manufacturing overhead	10,000	10,000	15,000
Output (Units)	9750	9,400	8,000
Normal Loss	2%	5%	10%

No stock of materials or of work-in-process was left at the end. Prepare Process-I, Process-II and Process-III Account.

OR

Paper / Subject Code: 79810 / Cost Accounting (Methods of Costing) - II

Q2B) Pappu Limited processes Product Z through two distinct processes – Process- I and Process- II. On completion, it is transferred to finished stock. From the following information for the year 2016-17, prepare Process- I, Process- II and Finished Stock A/c. (15)

Particulars	Process- I	Process-II
Raw materials used	7,500 units	-
Raw materials cost per unit	Rs60	-
Transfer to next process/finished stock	7,050 units	6,525 units
Normal loss (on inputs)	5%	10%
Direct wages	1,35,750	1,29,250
Direct Expenses	60% of Direct wages	65% of Direct wages
Manufacturing overheads	20% of Direct wages	15% of Direct wages
Realisable value of scrap per unit	12.5	37.5

6,000 units of finished goods were sold at a profit of 15% on cost. Assume that there was no opening or closing stock of work-in-process.

Q3A) Manavi Construction Ltd. commenced a contract on April 1, 2015. The total contract was for Rs49,21,875. It was decided to estimate the total profit on the contract and to take to the credit of Costing Profit and Loss A/c that proportion of estimated profit on cash basis, which work completed bore to total contract. Actual expenditure for the period April 1, 2015 to March 31, 2016 and estimated expenditure for April 1, 2016 to September 30, 2016 are given below:

(15)

	April 1, 2015 to March 31, 2016 (Actual) Rs	April 1, 2016 to Sept 30, 2016 (Estimated) Rs
Materials issued	7,76,250	12,99,375
Wages : Paid	5,17,500	6,18,750
Prepaid	37,500	-
Outstanding	12,500	5,750
Plant purchased	4,00,000	-
Expenses : Paid	2,25,000	3,75,000
Outstanding	25,000	10,000
Prepaid	15,000	-
Plant returns to store (Historical Cost)	1,00,000	3,00,000
	(30th September, 2015)	(30th September, 2016)
Work certified	22,50,000	Full
Work uncertified	25,000	-
Cash received	18,75,000	-
Materials at site	82,500	42,500

The plant is subject to annual depreciation @ 25% on written down value method. The contract is likely to be completed on September 30, 2016. Prepare the Contract A/c for the year ended 31st March, 2016 and determine the estimated profit on the contract.

OR

Paper / Subject Code: 79810 / Cost Accounting (Methods of Costing) - II

Q3 Sasmira Construction Company Ltd. took a contract for 60,00,000 expected to be completed in three years. The following particulars relating to the contract are available: (15)

	2014	2015	2016
Materials	6,75,000	10,50,000	9,00,000
Wages	6,20,000	9,00,000	7,50,000
Transportation cost	30,000	90,000	75,000
Other expenses	30,000	75,000	24,000
Cumulative work certified	13,50,000	45,00,000	60,00,000
Cumulative work uncertified	15,000	75,000	-

Plant costing 3,00,000 was bought at the commencement of the contract. Depreciation was to be charged at 25% per annum, on the written down value method. The contractee pays 75% of the value of work certified as and when certified, and makes the final payment on completion of the contract.

You are required to make a contract account for three years and total estimated profit/loss from the contract.

Q4A) From the following particulars of Geeta Ltd prepare a reconciliation statement:- (15)

	Amt (Rs)
Net Profit as per financial records	154506
Net Profit as per costing records	206880
Works overheads under recovered in costing	3744
Administrative Overheads recovered in excess in costing	2040
Depreciation charged in financial accounts	13440
Depreciation recovered in Cost Accounts	15000
Interest received but not included in Cost Accounting	9600
Obsolescence loss charged in financial records	6840
Income tax provided in financial books	48360
Bank interest credited in financial books	900
Stores adjustment credited in financial books	570
Depreciation of stock charged in financial books	8100

OR

Q4B) From the following information of Varad Ltd prepare detailed cost statement for the year ended 31/3/2017. (15)

Particulars	Rs.
Opening stock - Raw materials	20,000
- Finished goods	30,000
Purchase of Raw Materials	15,00,000
Direct wages	12,00,000
Power	99,500
Carriage on purchase of Raw materials	20,000
Cost of a special design	50,000
Custom duty and Octroi on Raw materials	60,000
Rent & Rates- Office	50,000
- Factory	70,000
Telephone exp.	30,000
Advertisement	75,000
Electricity - Office	15,000
- Factory	30,000
Machinery lost in fire	1,00,000

Paper / Subject Code: 79810 / Cost Accounting (Methods of Costing) - II

Depreciation - plant & machinery	80,000
- Delivery van	20,000
Income Tax	1,20,000
Salaries	2,50,000
Donations	70,000
Establishment exp.	1,00,000
Rent of Showroom	65,000
Interest on Loan	45,000
Sale of factory scrap	7,500
Dividend received	17,500
Directors fees	60,000
Mailing charges of sale Literature	10,000
Closing stock - Raw materials	1,85,000
Finished goods	30,000

Other Information:

60% of telephone expenses relate to office and 40% to sale Department.

Salaries to be allocated to the factory, office and sales department in the ratio of 1:2:1.

Establishment expenses are to be apportioned equally between office and sales department.

Sales are made to earn profit @ 20% on selling price.

Q5 (a) Explain the significance of process costing. (8)

(b) Distinguish between Work rectified & Work uncertified (7)

Or

Q5 Short Notes (Any three, five marks each) (15)

- i. Indirect cost
- ii. Normal loss
- iii. Process cost
- iv. Variable cost
- v. Contract price

8. Fictitious assets appearing in the balance sheet are transferred to debit side of _____ account.
 A) Realisation B) Goodwill
 C) Cash D) Partners' capital
9. An exchange rate on the date of balance sheet is known as _____.
 A) Average rate B) Opening rate
 C) Closing rate D) Agreed rate
10. _____ rate is the mean of exchange rate in force.
 A) Opening B) Closing
 C) Average D) Spot

Q.2. [A]

[15 MARKS]

Shubham and Shrikant were in partnership business sharing profits and losses in the ratio of 3:1. As from 1.1.2018 they admitted Prasad into partnership giving him one-fourth of the profits. Prasad brought in Rs.55000 in cash of which Rs.25000 were considered as being in payment of his share of Goodwill and remainder as his capital. The following trial balance was extracted from the books as on 31.3.2018.

TRIAL BALANCE AS ON 31.3.2018.

PARTICULARS	DEBIT(Rs.)	CREDIT(Rs.)
<u>CAPITAL ACCOUNTS:</u>		
Shubham		60000
Shrikant		40000
Cash paid by Prasad(1.1.2018)		55000
Sales		416000
Return Outwards		4600
R.D.D.		3800
Creditors		82000
Outstanding Rent		2600
<u>DRAWINGS:</u>		
Shubham	14000	
Shrikant	6000	
Prasad	4000	
Building	1,70,000	
Machinery	85000	
Cash at bank	3400	
Purchases	216600	
Return Inwards	6000	
Carriage on purchases	1400	
Opening Stock(1.4.2017)	42000	
Wages	21000	
Debtors	70000	
Salaries	18000	
Prepaid Insurance	600	
Postage and Telegram	800	
General Expenses	1200	
Rent & Insurance	2000	
Bad debts	1600	
Discount allowed	400	
Total	6,64,000	6,64,000

ADDITIONAL INFORMATION:

- 1) Depreciate building @10%.
- 2) Stock as on 31.3.2018 was valued at Rs.60000.
- 3) Further bad debts Rs.2000.
- 3) Reserve for doubtful debts is to be maintained at 10% on the sundry debtors.
- 4) Interest on Capital @8% p.a.

Prepare Final Accounts of the Firm.

OR

Q.2. [B]

[15 MARKS]

Lal, Bal and Pal shared profits and losses in the ratio of 2:2:1. Their trial balance as on 31st March 2018 stood as under.

TRIAL BALANCE AS ON 31/03/2018

DEBIT	AMOUNT	CREDIT	AMOUNT
Purchase	234000	<u>Capital</u>	
Return Inward	3600	Lal	45000
Opening Stock	36000	Bal	45000
Salary	40500	Pal	45000
Office Expenses	24750	Sales	510000
Bad Debts	3150	Return Outward	9000
Carriage Inward	6750	Bank Loan	26250
Carriage Outward	10125	Creditors	30000
Debtors	150000	Bills Payable	114750
Bills Receivable	4875		
Bank Balance	12000		
Cash in Hand	3750		
Investment	37500		
Premises	75000		
Machinery	54000		
<u>Drawings</u>			
Lal	18000		
Bal	18000		
Pal	18000		
Furniture	75000		
	825000		825000

On 1st Oct 2018 Lal expired. After his death the following adjustments were carried out.

1. Goodwill to be raised for all the partners' upto Rs. 135000.
2. Amount due to Lal to be transferred to his heir account.
3. Closing Stock was valued at Rs. 63000.
4. Depreciate Machinery, Premises and Furniture by 5%, 10% and 6% respectively.
5. Provide 8% Interest on capital.
6. Also provide 6% Interest on Drawings.
7. Sales were evenly distributed throughout the year.

On the basis of the above information prepare Final account after death of Lal.

Q.3. [A]

[15 MARKS]

Following are the Balance Sheets of M/s R & A, who share Profits and Losses equally and M/s G & U sharing Profits and Losses in the Ratio of 2:1.

BALANCE SHEETS AS ON 31ST MARCH 2018

LIABILITIES	R & A	G & U	ASSETS	R & A	G & U
Creditors	30000	24000	Cash at Bank	22000	27000
Bills Payable	15000	10000	Investments	26000	27000
Bank Loan	10000	12000	Debtors	10000	22000
Mrs. A's Loan	5000		Machinery	52000	34000
General Reserve	3500	6000	Goodwill	10000	
Reserve Fund	4000	3000	Furniture & Fixtures	12500	15000
<u>Capital Accounts</u>			Building	30000	
R	50000				
A	45000				
G		40000			
U		30000			
	162500	125000		162500	125000

Both the firm decided to amalgamate and form a new firm by the name RAGU. For this purpose the following adjustments were integrated.

- 1) Investments were taken over at 10% less than the Book Value for both the firms.
- 2) Furniture and Fixtures of R & A were taken at Book Value and that of G & U were valued at Rs.12000.
- 3) Machinery of R & A was to be appreciated by 15 % & that of G & U be appreciated by 25%.
- 4) R.D.D. should be created at 10% on Debtors for both the firms. Bad Debts for G & U were Rs. 5000.
- 5) The value of Goodwill was fixed at 30000 for each firm.
- 6) Unrecorded tools of R & A are valued at Rs. 2000 were taken over by the new firm.
- 7) The new firm took only Creditors and Bills Payable of both the firms and the liabilities not taken over by the new firm were paid in full by the old firm. Since the new firm did not take over cash the balance after payment of dues were to be distributed amongst the old partners.

You are required to prepare ledger account to close books of both the old firm and Prepare a Balance sheet of new firm.

OR

Q.3. [B]

[15 MARKS]

Lara, Richard and Walsh are partners sharing profits and losses in the ratio of 4:2:1. They decided to dissolve the partnership as on 31.3.2018 when their Balance Sheet was as under.

BALANCE SHEET AS ON 31.3.2018.

LIABILITIES	AMOUNT	AMOUNT	ASSET	AMOUNT	AMOUNT
Sundry Creditors		120000	Cash in hand		5000
Bills payable		40000	Investments		160000
Salaries payable		8000	Machinery		387400
<u>CAPITAL ACCOUNTS:</u>			Debtors		65200
Lara		160000	Furniture		9800
Richard		320000	Building		378600
Walsh		260000			
General Reserve		98000			
		1006000			1006000

ADDITIONAL INFORMATION:

- 1) Rs.3000 has to be provided for realisation expenses.
- 2) The amounts were realised in instalments as follows:

REALISATION	RS.
1 st	2,00,000
2 nd	35,000
3 rd	4,60,000
4 th	2,40,000

3) The actual realisation expenses were Rs.5000.

Prepare a Statement showing piecemeal distribution of cash as per Excess Capital Method.

Q.4. [A]

[15 MARKS]

Yogesh, Sumeet, Samson are partners sharing profits in the ratio of 2:2:1 respectively. They decided to convert their partnership firm into a joint stock company by the name YSM Ltd. Following is the Balance Sheet on the date of conversion.

BALANCE SHEET AS ON 31.03.2018

LIABILITIES		AMT	ASSET		AMT
CAPITAL			Building		120000
Yogesh	120000		Plant & Machinery		72000
Sumeet	112000		Motor Van		48000
Samson	68000	300000	Furniture		10000
General Reserve		24000	Stock		18800
Bills Payable		6000	Sundry Debtors		104000
Sundry Creditors		96000	Investment		24000
			Bank		29200
		426000			426000

YSM Ltd took over the following assets & liabilities

Building at	Rs. 140000
Plant & Machinery at	Rs. 60000
Furniture at	Rs. 5000
Stock at	Rs. 30000
Goodwill at	Rs. 32200

Create 10% Reserve for Doubtful Debt

The company has also agreed to take over Sundry Creditors at Rs. 90000.

The purchase consideration was discharged by the Issue of sufficient number of Equity Shares of Rs.100 each fully paid up at par. The firm sold investment for Rs. 40000 and paid Bills Payable fully.

Motor Van was taken over by Yogesh at Book value. The firm paid realisation Expenses Rs. 5000

Purchase consideration was distributed amongst the partners as per their proportionate capital as at the end.

You are required to

- 1) Calculate the Purchase Consideration
- 2) Close the books of old partnership firm by preparing necessary ledger accounts.
- 3) Prepare Balance Sheet of the New company as per the revised Schedule VI.

OR

Q.4. [B]

[15 MARKS]

Arya Traders, Navi Mumbai imported goods worth \$ 320000 from Flemingo Ltd. on 15th January 2017. When the exchange rate was \$1= Rs.69.50. The payment schedule was as follows:

DATE	PAID IN \$	EXCHANGE RATE PER \$
25.01.2017	80000	69.75
20.02.2017	120000	68.00
10.03.2017	80000	68.50
05.04.2017	40000	67.50

Arya Traders closes its books on 31st March every year. The exchange rate on 31st March 2017 was Rs.68.25 per \$.

You are required to prepare:

1. Journal entries in the books of Arya Traders for the above transactions.
2. Foreign Exchange Fluctuation Account.

Q.5. [A]

[15 MARKS]

[i] Explain features of a Partnership firm?

[08]

[ii] Elaborate the procedure of accounting of a partnership firm with reference to admission of a partner?

[07]

OR

Q.5. [B] WRITE SHORT NOTES [Any 3]

[15 MARKS]

1. Adjustments in final accounts on retirement of a partner.
 2. Order of payment in piecemeal distribution.
 3. Need for Conversion of a partnership firm.
 4. Types of rate applicable on foreign exchange transactions.
 5. Rules applicable in absence of partnership deed
-

SYBAF

DURATION :- 2.30 HOURS

TOTAL MARKS : 75 MARKS

NOTE :-

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

Q.1. [A] STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE [ANY 8] [08 MARKS]

1. On the date of balance sheet in case of export, when there is a decrease in the rate of exchange, there is a exchange loss.
2. All partners of a partnership firm automatically become Directors in the New Company upon the conversion of the firm:
3. The liability of the partners of the firm continues to remain unlimited even after becoming shareholders in the New company.
4. Objective of Amalgamation is to avoid competition between two firms.
5. In Amalgamation of Partnership old firm is continued.
6. Unsecured Creditors are those who do not have any security whatsoever.
7. Piecemeal Distribution means piecemeal settlement of accounts.
8. Capital accounts of the partners should always show a credit balance.
9. Interest received from bank is shown on the credit side of trading account.
10. Carriage outward is debited to Trading account.

Q.1. [B] FILL IN THE BLANKS WITH APPROPRIATE OPTIONS [ANY 7] [07 MARKS]

1. New ratio minus Old ratio = _____ ratio

A] Sacrifice	B] Gain
C] Capital contribution	D] Equal
2. A & B share profits in the ratio of 3:2 they admit C for 2/3 share in the business, the new profit sharing ratio will be _____.

A] 3:2:2	B] 3:2:1
C] 3:2:10	D] None of these
3. In case of piecemeal distribution, proportionate capital method is also known as _____.

A] Surplus capital method	B] Maximum loss method
C] Minimum loss method	D] All of the Above
4. Statement of Excess capital is prepared to ascertain _____.

A] Order of payment	B] Mode of payment
C] Time of payment	D] Ease of payment
5. When goods or assets are imported and rate of exchange increase it will result into _____.

A] Profit	B] Loss
C] No profit no loss	D] All of the above
6. In the absence of partnership deed partners are entitled to _____ % of profit as salary.

A] 10	B] 20
C] 30	D] NIL
7. Realisation account is prepared in case of _____ of partner.

A] Admission	B] Retirement
C] Death	D] Dissolution
8. _____ account is debited when any partner is paid salary.

A] Profit & Loss adjustment	B] Foreign exchange fluctuation
C] Foreign debtors or creditors	D] Profit & loss appropriation

Q.2. [B]

[15 MARKS]

Gagan and Akash were in partnership business sharing profits and losses in the ratio of 4:1. As from 1.10.2017 they admitted Sky into partnership giving him one-fifth of the profits. Sky brought in Rs.62500 in cash of which Rs.12500 were considered as being in payment of his share of Goodwill and remainder as his capital. The following trial balance was extracted from the books as on 31.3.2018.

TRIAL BALANCE AS ON 31.3.2018

PARTICULARS	DR.Rs.	CR.Rs.
CAPITAL ACCOUNTS:		
Gagan		250000
Akash		125000
Sky (paid cash on 1.10.2017)		62500
DRAWINGS:		
Gagan	25000	
Akash	12500	
Sky	6250	
Building	175000	
Motor Car	25000	
Debtors	300000	
Creditors		350000
Cash	25000	
Bank	283750	
Stock(1.4.2017)	75000	
Purchases	2950000	
Sales		3250000
Sales Expenses	15000	
Advertising	10000	
Office Expenses	45000	
Staff Salaries	30000	
Wages	45000	
Carriage inward	15000	
Total	4037500	4037500

ADDITIONAL INFORMATION:

1. Stock as on 31.3.2018 was valued at Rs.85000.
2. Interest on Capital @10% p.a.
3. Depreciate Building & Motor car by 10%.
4. Goods to the value of Rs.10000 have been distributed as free samples.
5. Sales from 1.4.2017 to 30.9.2017 amounted to Rs.1300000.

Prepare Final Accounts of the Firm.

OR

Q.3. [A]

[15 MARKS]

Following are the Balance Sheet of M/s B & O who share Profits and Losses equally and M/s A & T sharing Profits and Losses in the Ratio of 2:1.

BALANCE SHEETS AS ON 31ST MARCH 2018

LIABILITIES	B & O	A & T	ASSETS	B & O	A & T
Creditors	50000	44000	Cash at Bank	64000	50000
Bills Payable	40000	20000	Investments	32000	54000
Bank Loan	20000	24000	Debtors	20000	44000
Mrs. O's Loan	14000		Machinery	106000	70000
General Reserve	12000	24000	Goodwill	24000	
Investment Fluctuation Fund	10000	8000	Furniture & Fixtures	30000	42000
<u>Capital Accounts</u>			Building	100000	40000
B	120000				
O	110000				
A		100000			
T		80000			
	376000	300000		376000	300000

Both the firm decided to amalgamate and form a new Firm by the name BOAT

Following additional information is provided to implement the process of amalgamation

- 1] Investment were taken over at 5% less than the Book Value for both the firms.
- 2] Furniture and Fixtures of B & O were taken at Book Value and that of A & T were valued at Rs. 50000.
- 3] Machinery of B & O was to be appreciated by 10% & that of A & T be appreciated by 20%.
- 4] R.D.D. should be created at 10% on Debtors for both the firms. Bad Debts for A & T was Rs. 10000.
- 5] The value of Goodwill was fixed at Rs. 50000 for each firm and Cash at bank was not taken over.
- 6] Unrecorded tools of B & O are valued at Rs.10000 were taken over by the new firm.
- 7] The new firm took only creditors and bills payable of both the firms and the liabilities not taken over by the new firm were paid in full by the old firm.

You are required to prepare ledger account to close books of both the old firm and Prepare a Balance sheet of New firm.

OR

Q.3. [B]

[15 MARKS]

Ritu, Nitu and Ribu were in partnership sharing profits and losses as 3:2:1 respectively. The partnership was dissolved on 30th June, 2017 when the position was as follows:

BALANCE SHEET AS ON 30.6.2017.

LIABILITIES	AMOUNT	ASSET	AMOUNT
Sundry Creditors	350000	Cash on hand	70000
Unsecured Loan	175000	Stock in Trade	735000
Capital Accounts:		Debtors	280000
Ritu	350000		
Nitu	175000		
Ribu	35000		
	1085000		1085000

1. There was a bill for Rs.25000 due on 30th November under discount.
2. It was agreed that the net realisations should be distributed in their due order (at the end of each month) but as safely as possible. The realisations and expenses were as under:

DATE	REALISATION	EXPENSES
31 st July	2,10,000	17,500
31 st August	3,15,000	13,500
30 th September	1,75,000	12,250
30 th November	2,81,250	17,500

3. The acceptor of the bill under discount met the bill as on the due date. Prepare a Statement showing piecemeal distribution of cash as per Excess capital method.

[15 MARKS]

Q.4. [A]

Anelka, Eliza and Jinal are partners sharing profits in the ratio of equally. They decided to convert their partnership firm into a joint stock company by the name AEJ Ltd. Following is the Balance Sheet on the date of conversion

LIABILITIES		AMT	ASSET		AMT
CAPITAL			Building		198000
Anelka	300000		Plant & Machinery		152000
Eliza	300000		Motor Van		66000
Jinal	300000	900000	Furniture		84000
General Reserve		24000	Stock		120000
Bills Payable		8000	Sundry Debtors		165000
Sundry Creditors		96000	Investment		43000
			Bank		200000
		1028000			1028000

AEJ Ltd took over the following assets & liabilities

Building at	Rs. 200000
Plant & Machinery at	Rs. 200000
Furniture at	Rs. 14000
Stock at	Rs.150000
Goodwill at	Rs. 66200

Create 10% Reserve for Doubtful Debt

The company has also agreed to take over Sundry Creditors at Rs. 82000

The purchase consideration was discharged by the Issue of sufficient number of Equity shares of Rs.100 each fully paid up at par.

The firm sold investment for Rs. 50000 and paid Bills Payable fully.

Motor Van was taken over by Anelka at Book value. The firm paid realisation Expenses Rs. 20000

Purchase consideration was distributed amongst the partners as per their proportionate capital as at the end. You are required to

1. Calculate the Purchase Consideration
2. Close the books of old partnership firm
3. Prepare Balance Sheet of the New company as per the revised Schedule VI.

OR

Q.4. [B]

[15 MARKS]

From the following transactions of Samarth Ltd. Pass necessary journal entries .

DATE	TRANSACTIONS	EXCHANGE RATE PER \$
01.01.2017	Export of goods worth \$120000 to Holder Ltd.	68.00
01.02.2017	Import of Raw material worth \$150000 from Brian Ltd.	69.00
10.03.2017	Payment received of \$80000 from Holder Ltd.	70.00
20.03.2017	Paid to Brian Ltd.\$80000	68.00
15.04.2017	Balance payment received from Holder Ltd.	70.50
25.05.2017	Paid to Brian Ltd.\$70000	72.00

Samarth Ltd. closes its books on 31st March every year. The exchange rate on 31st March 2017 was Rs.70.00 per \$.

You are required to pass Journal entries in the books of Samarth Ltd. for the above transactions.

Q.5. [A]

[15 MARKS]

[i] What is amalgamation of a partnership firms?

[8]

[ii] Elaborate the accounting procedure in the books of the old partnership firm?

[9]

OR

Q.5. [B] WRITE SHORT NOTES [Any 3]

[15 MARKS]

1. Adjustments in final account on death of a partner
2. Treatment of goodwill at the time of admission of partner.
3. Rules applicable in the absence of partnership deed.
4. Steps for conversion of partnership firm into Joint Stock Company.
5. Monetary and Non monetary item as per AS-11.

[Time: 2 ½ Hours]

[Marks: 75]

- N.B.
1. Q. 1 is compulsory.
 2. Q.2 to Q.5 are compulsory with internal choice.
 3. Figures to the right indicate full marks.
 4. Workings should form a part of your answer.
 5. Use of simple calculator is allowed.

Q1A. Multiple choice questions [Answer any 08] [08]

1. Under the head Income from Business or Profession, the method of accounting which an assessee can follow is:
 - a. Mercantile system
 - b. Cash system
 - c. either of (a) or (b)
2. Export incentives received by an assessee are:
 - a. Exempt
 - b. Taxable as business income
 - c. Exempt upto certain limit
3. The asset of a particular block is acquired and 'Put to use' during the previous year for less than 180 days, the assessee shall charge depreciation at:
 - a. Normal rate
 - b. 50% of Normal rate
 - c. No depreciation is allowed
4. Standard deduction under Section 24 (a) of Income from House property is:
 - a. 1/3rd of Net Annual value
 - b. Rs. 30,000
 - c. 30% of Net Annual value
5. The quantum of deduction u/s 80U is
 - a. Rs. 80,000
 - b. Rs.75,000
 - c. Rs. 70,000
6. Very senior citizen u/s 80 D means attaining _____ years any time during the previous year.
 - a. 75
 - b.85
 - c.80
7. Annual interest accrued on NSC VIII issue shall be
 - a. exempt from tax
 - b. taxable on receipt
 - c. taxable on accrual basis
8. Profession tax deducted is allowed on _____.
 - a. Accrual basis
 - b. payment basis
 - c. both (a) & (b)
9. Tax allowed as deduction while computing the business income is
 - a. Wealth tax
 - b. Income tax
 - c. Sales tax
10. The amount of payment made in cash towards any expenditure is allowed as deduction upto:
 - a. Rs.25,000
 - b. Rs.20,000
 - c. Rs. 10,000

Q1B. State whether the following sentences are True or False [answer any 07] [07]

- a. AOP consists of individuals only as members.
- b. Rent received from letting out any asset is income from house property.
- c. Income means any receipt in cash.
- d. Residential status is determined for Assessment year.
- e. Unrealised rent is deducted from Net Annual Value.
- f. Deduction under section 37(1) is allowed for expenses of capital nature.
- g. Amount brought to India out of past profits is taxed in the year of remittance.
- h. Advance against salary is taxable but advance of salary is not taxable.

- i. Income received by a software professional in UK from the Indian company is taxable in India.
- j. Charging section for business income is Sec.28

Q2. Mr. Atul who is totally blind is employed with XBTR Ltd. The details of his salary for the previous year 2017-18 are as follows: [15]

Particulars	Rs.
Basic Salary	8000 p.m.
Dearness Allowance	75% of Basic Salary
H.R.A [exempt amount Rs. 400/- p.m. u/s 10(13A)]	20% of Basic Salary
Entertainment allowance	2000 p.m.
Arrear Salary	5000
Advance against salary	6000
Contribution of employer to Recognised Provident fund in excess of prescribed limits	2300
Interest on recognised provident fund in excess of prescribed limits	780
Bonus equal to 2 months basic was declared	
Amount spent by him on entertainment	500 p.m.
Education allowance [exempt u/s 10(14) – Rs. 1200/-p.a.]	600 p.m.
Perquisite value of vehicle provided by employer for personal use	4000
Professional tax deducted from salary	200 p.m.
He paid medical insurance premium for himself and his wife by cheque	7000 p.a.

Compute the net taxable income for Assessment year 2018-19.

OR

Q2A. Mr. Jazz, an American citizen, furnishes the following particulars regarding his income earned during the previous year relevant to Assessment Year 2018-19. [07]

Sl. no.	Particulars	Rs.
1	Interest on Nepal Development Bond (1/3 received in India)	21,000
2	Income from Agriculture in Bangladesh	40,000
3	Rent from property in Japan received in USA	10,000
4	Income earned from business in London controlled from Delhi (Rs.15,000 received in India)	35,000

Find his Gross Total Income if he is (i) Resident and Ordinarily Resident (ii) Resident but Not ordinarily Resident (iii) Non- resident in India for the Assessment Year 2018-19.

Q2 B. [08]

Mr. Kumar retires from Aeroforbs Pvt. Ltd. on 30th June, 2017. He gets pension of Rs.28,000/- per month upto 31st January, 2018. With effect from 1st February, 2018 he gets 75% of pension commuted for Rs.126,000/- . Pension becomes due on last day of each month. Determine the taxable amount of pension under two circumstances:

- i. If he receives gratuity, and
- ii. If he does not receive gratuity.

Q3. Following is the Income and Expenditure Account of Dr. Ranveer. Compute his total taxable income for the Assessment Year 2018-19 [15]

Income and Expenditure Account for the year ended 31st March, 2018

Expenditure	Rs.	Income	Rs.
To Staff Salaries	120,000	By Consulting charges	400,000
To Dispensary expenses	67,500	By Visit fees	100,000
To Dispensary rent	60,000	By Gift from patients	40,000
To Purchase of Medicines	45,000	By Sale of Medicines at Dispensary	80,000
To Income tax	35,000	By Rent from House Property	120,000
To Professional fees to doctors	22,000		
To Car expenses (for professional purpose)	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	268,600		
	740,000		740,000

- i. Gift from patients include Rs. 1000/- from his father in personal capacity.
- ii. Depreciation as per Income tax rules Rs.45,000.
- iii. He paid Medical insurance by cheque – Rs.8,000/-.
- iv. He purchased National Savings Certificates worth Rs.30,000 and paid LIC premium of Rs.60,000/-.
- v. He paid Rs. 20,000 to National Housing bank towards repayment of principal loan amount.

Compute the taxable income of Dr. Ranveer for the Assessment Year 2018-2019.

OR

Q3 A. Mrs. Geeta purchased a house property Rs. 200,000 in the year 1970-71. [08]

The following expenses were incurred for the property:

- i. Cost of construction in the year 1978-79 – Rs150,000
- ii. Cost of construction of the 1st floor in 2004-2005 – Rs. 350,000
- iii. Alteration of House property in 2013-14 – Rs. 300,000
- iv. Fair market value of the property on 1st April, 2001 is Rs.500,000/-. The house property is sold to Mr. Alok in the previous year 2017-18 for Rs.50,00,000/-
- v. Expenses incurred on transfer during the previous year Rs. 5,000/-

Compute capital gains for Assessment Year 2018-19.

[Cost of Inflation Index: 2001-02: 100; 2004-05: 113; 2013-14: 200; 2017-18: 272]

Q3 B. Ascertain the legal status of the following persons: [07]

- a. Pune University
- b. Akrti Associates Pvt. Ltd.
- c. Thane Municipal Corporation
- d. Kalpana Co-op. Housing Society
- e. M/s Karuna & Associates (unregistered partnership)
- f. Palghar Gram Panchayat
- g. Master Satish, a lunatic

Q4. Mr. Munnar is the purchase manager of W.V. Pvt. Ltd. His net taxable income under the head Salaries is Rs. 136,000/-. Particulars of his other [15]
income are as follows:

Sl. No.	Particulars	Rs.
i.	Income from Units of Unit Trust of India	4,000
ii.	Income form Company deposit scheme	1,000
iii.	Dividend from Indian companies	4,000
iv.	Dividend from foreign company	2,000
v.	Interest on P.P.F A/c with SBI	1,500
vi.	Interest on Fixed deposits with Bank of Maharashtra	3,000
vii.	Interest on Central Government Securities	2,000
viii.	Contribution to LIC premium u/s 80 CCC	10,000
ix.	Deposit in P.P.F A/c made during the year	70,000
x.	Deposit made in 5 years Term Deposit with Schedule Bank eligible u/s 80C	30,000

He spent Rs. 49,000 on his wife who is severally disable as defined u/s 80DD. However, she has claimed deduction u/s 80U while computing her total income.

You are to compute his net taxable income for the Assessment Year 2018-19.

OR

Q4. Mr. Norman is a co-owner of a house property along with his brother. [15]

Information regarding the house property is stated as below:

Particulars	Rs.
Municipal value of the Property	320,000
Fair Rent	300,000
Standard rent	340,000
Rent Received	30,000 p.m.

The loan for the construction of this house property is jointly taken and the interest charged by the bank is Rs.50,000 of which Rs. 42,000 has been paid. Interest on the unpaid interest is Rs.900. To repay this loan, Norman and his brother took another fresh loan and interest charged on this loan is Rs. 10,000. The Municipal tax of Rs.10,200 has been paid by the tenant.

Compute the income of Mr. Norman for the Assessment Year 2018-19 after considering the following details further:

- a. Interest accrued on Fixed Deposits with Banks Rs. 10,000/-
- b. Interest accrued on Public Provident fund Rs. 2,000/-
- c. Investment in Public Provident Fund Rs. 60,000/-
- d. Paid Rs. 25,000 by cheque as premium for medical insurance policy for self.

Q5. a. Explain in details items of income included in 'Profit in Lieu of Salary' under the head Income from Salary. [08]

Q5. b. What are capital assets u/s 2(14) of Income tax Act. Explain in details [07]

OR

Q5. Short Notes (Answer any 3) [15]

- a. Perquisites
 - b. Exemption of Gratuity u/s 10(10)
 - c. Residential Status
 - d. Remuneration of partners u/s 40(b)
 - e. Cost Inflation Index
-



NB: (1) All questions are compulsory

Total marks: 75

(2) Figures to the right indicate full marks

Time: 2 ½ hours

1(A) Explain the following concepts (any 5)

(15)

1. Positive discrimination
2. Sexual harassment
3. Manmade disaster
4. Disaster preparedness
5. Age of Reason
6. Superstition
7. Formal communication
8. Facilitative leadership

OR

(B) Write a detailed note on the Foundation Course (Semester III) Project submitted by you.

2. a) Discuss the historic and contemporary causes of the violations of the rights of the STs. What have been the consequences? (15)

OR

2. b) Briefly mention the various atrocities committed on children and relate them to the various legal and constitutional safeguards set for them.

3. a) Discuss the factors to be considered in the prevention and mitigation of disaster. (15)

OR

3. b) Mention and explain the various physical, economic and psychological effects of disaster.

4. a) Highlight the role of technology in modern life. (15)

OR

4.b) Scientific development came to a standstill in the Middle Ages. Do you agree? Give reasons.

5. a) Explain how team building can contribute to the strengthening of a community. (15)

OR

5. b) 'Self improvement almost always starts with self awareness and the ability to transform your habits.' In the light of this statement give specific ways for self development.

SYBAF
ECO

SYBAF Sem I 2017 Regular

C0443FR / C0860 ECONOMICS II (MACRO ECONOMICS)

Q.P. Code: 23405

[Time: 2.30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

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

- Q.1 Answer any two 15**
a) Explain the concept of circular flow of income and expenditure in a three – sector economy.
b) Discuss the various factors affecting consumption function.
c) Explain concept of multiplier and bring out various leakages of the multiplier.
- Q.2 Answer any two 15**
a) Explain the Keynesian approach to demand for money.
b) Explain the effects of inflation.
c) Explain the objectives of monetary policy.
- Q.3 Answer any two 15**
a) Explain the principle of sound finances.
b) Explain the burden of internal public debt.
c) Discuss the limitations of the FRBM Act,2003.
- Q.4 Answer any two 15**
a) Evaluate Ricardian Theory of comparative cost.
b) Discuss the arguments for free trade.
c) Explain measures to control deficit in the balance of payments.
- Q.5 A) Conceptual question (any four out of six) 8**
1) National income
2) Money supply
3) Public expenditure
4) Public debt
5) Currency devaluation
6) Quota
- Q.5 B) Multiple choice question (any seven) 7**
1) In a circular flow economy firms supply-----
a) Labour
b) Goods and services
c) Land
d) None of the above

2) The ----- theory attributes business cycles to changes in marginal efficiency of capital
a) Monetary
b) Multiplier – accelerator
c) Real business
d) Investment

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

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

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

8

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

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

7

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

[TURN OVER

2. Binod is working in a limited company since 1st Nov 08 on a salary scale ₹5,000- 15,000-10,000-2,000-20,000 he is also entitled to D.A. of 60% of basic pay and CCA of 40% basic. He received a bonus of ₹ 30,000 and salary in lieu of Leave ₹20,000. Salary of one month becomes due on 5th of next month. He has following other incomes :

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

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

OR

2. Mrs. Lisa aged about 66 years is a Finance Manager of M/s. Lakme & Co. based at Calcutta. She is in continuous service since 2004 and receives the following salary and perks from the company during the year ending 31-3-2017
- (i) Basic Salary (50,000 × 12) = ₹ 6,00,000
 - (ii) DA (20,000 × 12) = ₹ 2,40,000
 - (iii) Bonus – 2 months Basic Pay
 - (iv) Commission 0.1% of the turnover of the Company. The turnover for the financial year was ₹ 15.00 crores.
 - (v) Contribution of the Employer and employee to the PF Account ₹3,00,000 each.
 - (vi) Interest credited to P. F. Account at 8.5% – ₹ 60,000.
 - (vii) Rent free unfurnished accommodation provided by the company for which the company pays a rent of ₹ 70,000 per annum.
 - (viii) Entertainment Allowance – ₹ 30,000
 - (ix) Children's education allowance to meet the hostel expenditure of the children – ₹ 15,000 (Exempt ₹ 7,200)
 - (x) Profession Tax paid ₹ 2,500
- She makes the following payments and investments :
- (i) Premium paid to insure the life of her major son – ₹ 15,000
 - (ii) Medical Insurance Premium for self – ₹ 22,000 and spouse ₹ 5000.
 - (iii) LIC Pension Fund – ₹ 18,000

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

[TURN OVER

3. Following is the receipts and payments of Dr. Rajiv for the year ended 31-3-17. 15

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

Additional Information :

(1) **Purchases represent** : Medicines ₹ 50,000, Motor Car ₹ 2,56,000 and Books ₹ 30,000 .

(2) **Depreciation allowable** : Motor Car ₹25,600, Books ₹ 25,000 and Equipments ₹23,000.

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

[TURN OVER

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

15

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

Note :

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

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

4. Ms. Tanuja submits the following details for the A.Y. 2017-18.
Details of Income from House property.

15

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

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

OR

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

8

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

- (B) Mr. Sandeep has earned the following income during the previous year ended 31st March, 2017. 7

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

Compute his total income assuming :

- (i) He is resident and Ordinarily Resident
- (ii) Non-resident.

5. (A) Write any eight exempted Income U/s 10 of Income Tax Act 1961. 8
- (B) Enumerate any seven expenses not allowed in computing income from business under Income Tax Act 1961. 7

OR

5. Write short notes (any three) :— 15
- (i) Short term capital gain.
 - (ii) Gross Annual Value of House Property
 - (iii) Exemption U/S 10 (10AA) for leave salary
 - (iv) Residential status of an individual
 - (v) Person.