

## REENA METHA COLLEGE OF COMMERCE &amp; MANAGEMENT STUDIES

## INTERNAL EXAMINATION (Regular) 2018-2019

## SEMESTER: V (TYBAF)

Subject: Financial Management

Date: 27/08/2018

Duration: 45 min

Marks: 20

Q1 (A) Multiple Choice Question:

Marks: 2.5

1. Walter's model suggests the 100% dividend payout ratio when
  - a)  $K_e = r$
  - b)  $K_e < r$
  - c)  $K_e > r$
  - d)  $K_e = 0$
2. Gordon's model of dividend relevance is same as
  - a) No growth model
  - b) Constant growth model
  - c) Price earnings ratio
  - d) None of the above
3. Face value is the value stated on the face of the bond which is also known as
  - a) Par value
  - b) Market value
  - c) Intrinsic value
  - d) Redemption value
4. The rate of return that investor can earn if he holds the bond till maturity and receives payments as scheduled is known as
  - a) Average rate of return
  - b) Yield to maturity
  - c) Return on investment
  - d) None of the above
5. Relationship between the dividend per share and earning per share is known as
  - a) Dividend payout
  - b) Dividend yield
  - c) DPS
  - d) EPS

Q1 (B) Match The Column

Marks: 2.5

Column A	Column B
1. Irrelevance approach	a. No risk
2. Relevance approach	b. MM approach
3. Constant payout	c. Highest EPS
4. Optimum capital structure	d. Stable dividend policy
5. Government bonds	e. Walter & Gordon model

**Q.2)** Mr X wants to invest in either of the following bonds having face value of Rs.1000 maturing at par

Bond	Coupon rate	Maturity	Market price
M	12% p.a	5 years	Rs. 1,080
N	15% p.a	5 years	Rs. 920

Recommend which bond should be purchased?

**Marks: 8**

**Q.3)** EPS = Rs.10, DPS = Rs.5 , Equity capitalisation rate = 15%, Rate of return = 18%

- A. What should be the market price per share as per Walter's model?
- B. What is the optimum payout ratio according to Walter's model?
- C. Market value per share for the same

**Marks: 7**

**REENA MEHTA COLLEGE OF COMMERCE AND MANAGEMENT STUDIES**

**INTERNAL EXAMINATION**

**TYBAF SEM: - V**

**Subject: Management Applications**

**Date: 29/08/2018**

**Max. Marks: 20**

**Duration: 45Min**

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

**(2 ½ Marks)**

- (1) \_\_\_\_\_ refers to the marketing variables that combine to sell a product to the target market.
- (2) \_\_\_\_\_ popularized 4P's of marketing in his book "Basic Marketing".
- (3) \_\_\_\_\_ aims at creating and maintaining a distinct image of the brand in the minds of target customers.
- (4) \_\_\_\_\_ is the first stage in new product development.
- (5) \_\_\_\_\_ refers to the total number of products sold in all product lines.

**Q.1.B. True or false :-**

**(2 ½ Marks)**

- (1) Marketing is undertaken to sell only goods and services.
- (2) A push strategy involves marketing efforts directed to consumers.
- (3) In case of horizontal diversification, the new business is linked to the existing business through process, technology or marketing.
- (4) Generally product modification is done at the maturity stage.
- (5) The direct channel of distribution is also known as zero level marketing channel.

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

**(5 marks)**

- (1) What are the 4P's of marketing mix?
- (2) What is product life cycle?
- (3) Explain the concept of branding.
- (4) What is penetration pricing strategy?
- (5) What is integrated marketing communication?

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

**(10 marks)**

- (1) Explain the different types of distribution channels.
- (2) Write a note on levels of product.
- (3) Explain the elements of promotion mix.

**REENA METHA COLLEGE OF COMMERCE &  
MANAGEMENT STUDIES**

**INTERNAL EXAMINATION (Regular) 2018-2019**

**SEMESTER: V (TYBAF)**

**Subject: Taxtion - IV**

**Date: 28 /08/2018**

**Time: 45 mins**

**Marks: 20**

**Q1 (A) Multiple Choice Question:**

**Marks: 2.5**

1. What are the taxes levied on an Intra – state supply?

a) CGST    b) SGST    c) CGST and SGST    d) IGST

2. GST stands for

a) Goods and Supply Tax

b) Government Sales Tax

c) Goods and Services Tax

d) General Sales Tax

3. Which of the following taxes will be levied on imports of goods and services?

a) CGST    b) SGST    c) IGST    d) exempt

4. What is the date of receipt of payment?

a) Date of entry in the books  
account

b) Date of payment credited into bank

c) Earlier of (a) and (b)

d) Date of filing of return

5. Which form is to be used for registration?

a) Form GSTR- 1A

b) Form GST REG - 01

c) Form GSTR- 2

d) Form GST REG

**Q1 (B) State whether the following statement are True or False:**

**Marks: 2.5**

1. Aggregate turnover should be more than 20 lakh for mandatory registration.
2. GST Act does not apply to Jammu and Kashmir.
3. IGST cannot be adjusted against CGST and SGST.
4. Under GST input of services cannot be claimed against sale of goods.
5. Registration cannot be cancelled within 1 year from the Date of issue of certificate.

**Q.2** Identify the time of supply for the following cases:

**Marks: 7**

Date of Completion	Date of Invoice	Date of Payment
20/11/2018	01/12/2018	05/12/2018
20/11/2018	15/12/2018	10/12/2018
20/11/2018	30/12/2018	25/12/2018
20/11/2018	05/12/2018	Part payment 10/12/2018 Retaining 01/01/2019
20/11/2018	30/12/2018	10/12/2018
20/11/2018	08/12/2018	Part payment 01/12/2018 Retaining 10/12/2018

**Q.3** Mr. A is a registered manufacturer in the state of Maharashtra gives you the following information for Feb 2018.

**Marks: 8**

- Input purchased within the state 210000 (includes GST of 5%)
- Other expenses Rs. 25000
- Profit is Rs. 25000
- The goods produced was sold in Gujarat with GST@ 18%

Calculate the amount of tax payable after using Input Tax audit.

**REENA METHA COLLEGE OF COMMERCE &  
MANAGEMENT STUDIES**

**INTERNAL EXAMINATION (Regular) 2018-2019**

**SEMESTER: V (TYBAF)**

**Subject: Financial Accounting - V**

**Date: 28 /08/2018**

**Time: 45 min**

**Marks: 20**

**Q1 (A) Multiple Choice Question:**

**Marks: 2.5**

1. Buy Back carried out of \_\_\_\_\_.  
a) Equity shares    b) Preference shares    c) Debentures
2. If equity shares have been brought back out of free reserves, amount equal to the face value of equity shares bought back should be transferred to  
a) Development Rebate Reserve    b) General reserve    c) Capital redemption reserve
3. Which of the following is not a free reserve for the purpose of buyback of shares  
a) Profit and loss a/c    b) General reserve    c) Revaluation reserve
4. If the buyback is at a discount, the amount of discount is credited to \_\_\_\_\_ A/c  
a) Security premium a/c    b) CRR    c) Revaluation reserve
5. Buy back is carried out \_\_\_\_\_  
a) only if fully paid up    b) even if only partly paid up

**Q1 (B) State whether the following statement are True or False:**

**Marks: 2.5**

1. After buy back of shares, the debt debt-equity ratio should not exceed 2:1.
2. Buy back of shares is just the opposite of raising capital through the issue of shares.
3. Buy back of shares decreases the EPS of the company.
4. On buy back of shares by the company, there is reduction in the capital of the firm.
5. Buy back of equity shares can be made out of the proceeds of an earlier issue of preference shares.

**Q.2. X Ltd. furnishes the following information:**

**Marks: 7**

80,000 equity shares of Rs. 10 each, Rs.7 per share paid up	5, 60,000
General reserve	80,000
Profit & Loss a/c	6, 00,000
Securities premium	1, 20,000
Bank Loan (Secured)	3, 00,000
Unsecured Loan	1, 00,000

Keeping in view legal requirements, ascertain the maximum number of equity shares that can be bought back by the company at a price of Rs. 40 per share.

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**REENA METHA COLLEGE OF COMMERCE & MANAGEMENT STUDIES**

**REINTERNAL EXAMINATION (Regular) 2018-2019**

**SEMESTER: V (TYBAF)**

**Subject: TAXATION II**

**Time: 45 min**

**Marks: 20**

Q.1 Mrs. Kareena Kapoor who is an Indian citizen went for employment to Muscat on 1<sup>st</sup> April, 2013 and since then came on visit for the first time to India on 01-07-2017 and left for Muscat on 28-12-2017.

Determine her residential status for A.Y 2018-19 stating explanation for your answer. [07]

Q.2 :-Mr. Tom, a British citizen had the following income during the year ended on 31<sup>st</sup> March, 2018.

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 2018-19, if he is :

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

[06]

Q.3:- Mr. X is a U.S.A. citizen. He came to India on October 15, 2017 for a visit and was in India till 31<sup>st</sup> Mar, 2018. In earlier previous years, he is in India as under [07]

2007-08	188 days	2011-12	40 days	2015-16	100 days
2008-09	190 days	2012-13	300 days	2016-17	200 days
2009-10	185 days	2013-14	195 days		
2010-11	200 days	2014-15	185 days		

Find out the residential status of Mr. X for the assessment year 2018-19 assuming that he is not a person of India origin.

**REENA METHA COLLEGE OF COMMERCE & MANAGEMENT STUDIES**

**REINTERNAL EXAMINATION (Regular) 2018-2019**

**SEMESTER: V (TYBAF)**

**Subject: Financial Accounting -V**

**Time: 45 min**

**Marks: 20**

**Q1 (A) Multiple Choice Question:**

**Marks: 2.5**

1. If equity shares have been brought back out of free reserves, amount equal to the face value of equity shares bought back should be transferred to

a) Development Rebate Reserve b) General reserve c) Capital redemption reserve

2. Buy back is carried out \_\_\_\_\_

a) only if fully paid up b) even if only partly paid up

3. Which of the following is not a free reserve for the purpose of buyback of shares

a) Profit and loss a/c b) General reserve c) Revaluation reserve

4. If the buyback is at a discount, the amount of discount is credited to \_\_\_\_\_ A/c

a) Security premium a/c b) CRR c) Revaluation reserve

5. Buy Back carried out of \_\_\_\_\_.

a) Equity shares b) Preference shares c) Debentures

**Q1 (B) State whether the following statement are True or False:**

**Marks: 2.5**

1. Buy back of equity shares can be made out of the proceeds of an earlier issue of preference shares.
2. Buy back of shares is just the opposite of raising capital through the issue of shares.
3. Buy back of shares decreases the EPS of the company.
4. After buy back of shares, the debt debt-equity ratio should not exceed 2:1.
5. On buy back of shares by the company, there is reduction in the capital of the firm.

**Q2. The summary of the balance sheet of Manish Ltd. as on 31-03-2012 is as follows:**

**Marks: 8**

<b>LIABILITIES</b>	<b>RS.</b>	<b>ASSETS</b>	<b>RS.</b>
<b>Share Capital:</b> Authorised, issued, Subscribed and called up: Equity shares of Rs. 10 each	25,00,000	<b>Fixed Assets:</b> Net Block <b>Trade Investments</b>	40,00,000 15,00,000
<b>Reserves &amp; Surplus:</b> Security Premium General Reserve Profit & Loss Account	5,00,000 10,00,000 10,00,000	<b>Current Assets :</b> Current Assets (including bank balance Rs. 15,00,000) Loans and Advances	35,00,000 5,00,000
<b>Secured Loan:</b>			



10% Debentures	25,00,000		
<b>Current Liabilities:</b>			
Sundry Creditors	15,00,000		
Bills payable	5,00,000		
	95,00,000		95,00,000

Keeping in view all the legal requirements ascertain:

(1) Maximum number of equity shares that Manish can buyback.

(2) The maximum price it can offer.

Assume that the buyback is carried out actually on the legally permissible terms, record the entries in the journal of Manish Ltd. And preparer its Balance sheet thereafter.

**Q.3 .** X Ltd. furnishes the following information:

**Marks: 7**

80,000 equity shares of Rs. 10 each, Rs.7 per share paid up	5,60,000
General reserve	80,000
Profit & Loss a/c	6,00,000
Securities premium	1,20,000
Bank Loan (Secured)	3,00,000
Unsecured Loan	1,00,000

Keeping in view legal requirements, ascertain the maximum number of equity shares that can be bought back by the company at a price of Rs. 40 per share.

**REENA METHA COLLEGE OF COMMERCE & MANAGEMENT STUDIES**  
**REINTERNAL EXAMINATION (Regular) 2017-2018**  
**SEMESTER: VI (TYBAF)**

**Subject: FA VI**  
**Time: 45 min**

**Date: 24/09/2018**

**Marks: 20**

**Q1 (A) Multiple Choice Question: Marks:**

**2.5**

1. Banking Regulation Act.
  - a. 1947
  - b. 1932
  - c. 1949
  - d. 1956
- 2) Every Banking company incorporated in India shall transfer.
  - a. 20%
  - b. 35%
  - c. 30%
  - d. 15%
- 3) Schedules required knowing the Profit and Loss of Banks.
  - a. 10,11,12,13
  - b. 13,14,15,16
  - c. 1,2,3,4
  - d. 5,6,7,8
- 4) Other Assets Includes.
  - a. Inter-office adjustments
  - b. Interest accrued
  - c. Stationary and stamps
  - d. All of the above
- 5) Loss on revaluation of investment
  - a. Schedule 13
  - b. Schedule 14
  - c. Schedule 15
  - d. Schedule 16

**Q1 (B) State whether the following statement are True or False: Marks:**

**2.5**

- 1) Average rate is the mean of the exchange rates on the first day and the last day of the accounting year.
- 2) Closing rate is the exchange rate at the close of the day on which a transaction takes place.
- 3) Foreign Currency is a currency other than the Indian rupee.
- 4) An inventory is a non-monetary item.
- 5) Cash, receivables and payable and examples of non-monetary items.

OR

Q.2:- Madhav exported goods to US Company worth US \$ 1 lac on 01-01-2004 when exchange rate was US \$ 1 = ₹.43.00. The payment was received as below :-

8

Date	Instalment US \$	Rate of Exchange (₹)
01-02-2004	20,000	43.25
15-03-2004	25,000	43.50
01-05-2004	Balance	42.75

The rate of exchange was US \$ 1 = ₹.43.75 as on 31-03-2004.

Pass journal entries in the books of Mr. Madhav (including those for cash) in accordance with AS-11.

Q3. While closing the books a bank its advance was classified on 31<sup>st</sup> March, 2014 as under:-

7

	(in lakhs)
Standard Assets	1,60,000
Sub-standard	13,000
<b>Doubtful Assets: (Secured)</b>	
Upto one year	7,000
One to Three Years	4,000
More than three years	2,000
Loss Assets	5,000

You are requested to calculate the amount of provisions to be made by bank as on 31<sup>st</sup> March, 2014

**REENA METHA COLLEGE OF COMMERCE & MANAGEMENT STUDIES**  
**REINTERNAL EXAMINATION (Regular) 2017-2018**  
**SEMESTER: VI (TYBAF)**

**Subject: Cost Accounting**

**Time: 45 min**

**Marks: 20**

**Q1 (A) Multiple Choice Question:**

**Marks: 2.5**

1. Which of the following is not a part of Cash Budget?  
 a. Salaries                      b. Cash Sales                      c. Depreciation
2. Production Budget helps to find out \_\_\_\_\_.  
 a. Raw Material Consumed    b. Sales                      c. Production (in Units)
3. Material Usage Variance= (Standard Qty. – Actual Qty.) X \_\_\_\_\_.  
 a. Standard Rate              b. Actual Rate                      c. None of the above
4. Fixed Overhead Cost Variance= \_\_\_\_\_ - Actual Overheads.  
 a. Budgeted Overheads        b. Recovered Overheads        c. Standard Overheads
5. Direct Material is \_\_\_\_\_.  
 a. Fixed Cost                      b. Semi Variable Cost              c. Variable Cost

**Q1 (B) State whether the following statement are True or False:**

**Marks: 2.5**

1. Labour Cost Variance = Standard Cost – Actual Cost.
- 2 Non-Cash items are excluded from Cash Budget
3. Material Mix Variance = (Revised Qty. – Actual Qty.) X Standard Rate.
4. X Standard Rate. Revised Quantity = Actual Mix in the Ratio of Standard Quantity.
5. Flexible budget shows how cost changes at different level of output (Sales).

**Q.2) At 90% capacity, ABC Ltd. produce 10,800 units and incurred the expenses as under: (08 Marks)**

Particulars	Cost Per Unit (Rs.)
Direct Material	7
Direct Labour	5
Other Variable Expenses	4.5
Production Overheads	3 (20% Variable)
Administration Overheads	6 (40% Variable)
Selling Overheads	3 (75% Variable)
Selling Price	60

**Prepare Flexible Budget for 90% (10,800units) and 100% (12,000units).**

**Q.3) The standard cost for one unit shows:**

**(07 Marks)**

Material cost 2kg @ Rs. 2.

5 per kg.

Labour 2Hours @ Rs. 1 per hour.

The actual which have emerged from business operation are as follows:

Production : 8000 units

Material consumed 16,500kg @ Rs. 2.4 per kg.

Wages paid 18,000 hours @ Rs. 1.2 per hour.

Calculate Possible Material and Labour Variances.

REENA METHA COLLEGE OF COMMERCE & MANAGEMENT STUDIES

REINTERNAL EXAMINATION (Regular) 2018-2019

SEMESTER: V (TYBAF)

Subject: Financial Management

Time: 45 min

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Q1 (B) Match The Column

Marks: 2.5

Column A	Column B
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2. Optimum capital structure	b. MM approach
3. Constant payout	c. Highest EPS
4. Relevance approach	d. Stable dividend policy
5. Irrelevance approach	e. Walter & Gordon model

**Q.2)** EPS = Rs.10, DPS = Rs.5 , Equity capitalisation rate = 15%, Rate of return = 18% **Marks: 7**

- A. What should be the market price per share as per walter's model?
- B. What is the optimum payout ratio according to walter's model?
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**Marks: 8**

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- Other expenses Rs. 25000
- Profit is Rs. 25000
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Calculate the amount of tax payable after using Input Tax audit.

**Q.3** Identify the time of supply for the following cases:

**Marks: 7**

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20/11/2018	30/12/2018	10/12/2018
20/11/2018	08/12/2018	Part payment 01/12/2018 Retaining 10/12/2018



**REENA MEHTA COLLEGE OF COMMERCE AND MANAGEMENT STUDIES**

**REINTERNAL EXAMINATION**

**TYBAF SEM:- 5**

**Max. Marks : 20.**

**Duration: 45 Min**

**Management Applications**

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

**(2 ½ Marks)**

- (1) \_\_\_\_\_ refers to the marketing variables that combine to sell a product to the target market.
- (2) \_\_\_\_\_ popularized 4P's of marketing in his book "Basic Marketing
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**Q.1.B. True or false :-**

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- (1) The direct channel of distribution is also known as zero level marketing channel
- (2) A push strategy involves marketing efforts directed to consumers.
- (3) In case of horizontal diversification, the new business is linked to the existing business through process, technology or marketing.
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- (5) Marketing is undertaken to sell only goods and services.

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

**(5 marks)**

- (1) What are the 4P's of marketing mix?
- (2) What is product life cycle?
- (3) Explain the concept of branding.
- (4) What is penetration pricing strategy?
- (5) What is integrated marketing communication?

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

**(10 marks)**

- (1) Write a note on levels of product**
- (2) Explain the different types of distribution channels.**
- (3) Explain the elements of promotion mix.**

TY BAF

Sem VI TYBAF 2018-19

Paper / Subject Code: 85607 / Economics Paper - III Indian Economy

Duration: 2 ½ Hours

Marks: 75

Note: 1. All questions are compulsory.

2. Figures to right indicate full marks.

Q1. (A) Select the appropriate answer and rewrite the following statement: (Any 8) (08)

1. A lower Gini index implies \_\_\_\_\_  
a) More equal distribution of income b) Unequal distribution of income c) Higher inequality
2. \_\_\_\_\_ was categorized as tenants.  
a) Occupancy tenants b) Sub tenants c) a and b both
3. \_\_\_\_\_ is not the part of classification of industries on the basis of ownership.  
a) Micro enterprise b) Capital goods industries c) Small enterprises
4. Government policy on disinvestment was introduced in \_\_\_\_\_  
a) 1995 b) 1991 c) 1980
5. In 2016-17 India's foreign exchange reserves was \_\_\_\_\_  
a) Surplus b) Deficit c) Balance
6. SAARC was formed in the year \_\_\_\_\_  
a) 1987 b) 1985 c) 1982
7. Monetary policy in India is decided by \_\_\_\_\_  
a) RBI Governor b) Finance Minister c) Monetary Policy Committee
8. In 1969, \_\_\_\_\_ major commercial banks were nationalized.  
a) 14 b) 15 c) 18
9. Secondary market does not include \_\_\_\_\_  
a) Screen based trading b) Liquidity adjustment facility c) Rolling system
10. \_\_\_\_\_ is the role of RBI.  
a) Price stability b) Investors' education c) Treasury bills

Q1. (B) State whether the following statements are 'True' or 'False': (Any 7) (07)

1. Slow implementation of land reform was due to lack of political will.
2. The overall economic development has created sufficient employment opportunities in the country.
3. Industrial growth picked up significantly during the 10<sup>th</sup> plan.
4. Small scale industries do not face any problems in India.
5. Service sector is the driver of economic growth in India.
6. FDI is not permitted in insurance sector in India.
7. GATT was transformed into WTO on 1<sup>st</sup> January 1995.
8. India's current imports mainly consist of capital goods.
9. A decrease in repo rate makes credit cheap.
10. Major portion of agricultural finance comes from traditional sources.

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Q.2 (A) Explain the causes of income inequality. (08)

(B) Discuss the reasons for poor implementation of land reforms. (07)

OR

Q.2 (C) Analyse measures to increase employment opportunities in India. (08)

(D) What are the effects of urbanization? (07)

Q.3 (A) Highlight the role of public sector in India. (08)

(B) Analyze the pattern of industrialization in India. (07)

OR

Q.3 (C) Briefly explain the industrial policy of 1991. (08)

(D) Discuss the problems faced by small scale industries in India. (07)

Q.4 (A) Explain the nature and scope of service sector in India. (08)

(B) Highlight the important recent trends in health industry in India. (07)

OR

Q.4 (C) Explain the performance of SAARC. (08)

(D) Examine the positive and negative impact of MNC. (07)

Q.5 (A) State and explain the quantitative instruments of credit control. (08)

(B) Analyze the role of SEBI in India. (07)

OR

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

- i) National Agricultural Policy 2000
- ii) Disinvestment policy in India
- iii) Structure of capital market
- iv) Types of FDI
- v) Limitations of monetary policy in India

T7BAF  
Series

DURATION : 2½ Hours

Total Marks: 75

NOTE: ALL QUESTIONS ARE COMPULSORY.

Q1.A. Match the column (Any Eight)

(8 Marks)

Sr. No.	Column A	Sr. No.	Column B
1	Electronic Liability Ledger	A	Input tax credit
2	Refund	B	Export by vessel or aircraft
3	Electronic Credit Ledger	C	All liabilities
4	Imported Goods	D	Under Section 2 (13) Custom Act
5	Shipping bill	E	All payments
6	Electronic cash Ledger	F	Taxable Purchase or Sales
7	TDS	G	Under Section 2 (19) Custom Act
8	TCS	H	Under Section 2 (25) Custom Act
9	Exported Goods	I	Under Section 54 CGST Act
10	Custom Station	J	Under Section 51 CGST Act
		K	Under Section 52 CGST Act

Q1. B State whether True or False (Any Seven)

(7 Marks)

1. Imports of light fitting by passenger including short visit abroad qualify as bonafide baggage.
2. Infant means a child not more than four years of age.
3. Baggage includes motor vehicles.
4. Landing charges are to be added to CIF value.
5. GST means Good night Sweet dream Take care.
6. A Dealer is liable for registration under GST Act, only if his Supply exceeds Rs. 20,00,000.
7. Maximum Rate of Interest is 8% U/S 50(1).
8. All services are Supply.
9. Temporary detention of Baggage if it includes import of prohibited items.
10. FOB means free on board.

67660

Q2. A) The details of purchase and Sales of Mr. Ravikishan who started business during the financial year 2018-2019 are given as follows:

(15 Marks)

Particulars	Rs.
Intra State Supply of goods	18,00,000
Inter State Supply of goods	13,00,000
Intra State Purchases of goods	13,00,000
Inter State Purchases of goods	1,50,000
ITC at the beginning [op.bal.]	
CGST	1,30,000
SGST	1,30,000
IGST	1,70,000

If inward and outward supplies are exclusive of taxes. Find out whether he is liable for payment under GST, And Total GST Payable U/S 49 if tax rate is CGST, SGST, IGST is 9%, 9%, and 18%.

OR

Q2. B) ACS Ltd. Operating in Two States Andhra Pradesh and Tamil Nadu, the Tax Liability for the month of March 2019 is as follows:

(15 Marks)

Particulars	Andhra Pradesh	Tamil Nadu
	Rs.	Rs.
Output CGST payable	25,000	10,000
Output SGST payable	10,000	5,000
Output IGST payable	3,000	2,500
Input Credit CGST	8,000	13,000
Input Credit SGST	15,000	1,500
Input Credit IGST	12,000	16,000

Prepare different ledger and Find out whether ACS Ltd. is liable for payment under GST or Not?

Q3.A) 1. M/S Ravi Dyeing Pvt. Ltd. Supplied goods worth Rs. 10,00,000 to M/S Yunus Pvt. Ltd. in the month of September, 2017 plus GST 12%. M/S Ravi Dyeing Pvt. Paid the GST on 5<sup>th</sup> December 2018. The amount of input tax is 70,000 is available in the books. Calculate interest payable

@18% pa U/S50 under CGST Act?

(5 Marks)

Q3.A) 2. The details of business transactions of Mr. Nandi who started business on 1<sup>st</sup> April 2019 are given below. If he has Rs. 5,00,000 in his electronic cash ledger suggest him order of discharge of liability U/S 49(8): (10 Marks)

Particulars	Rs.
Tax liability of CGST, SGST, IGST for supplied made during August 2018	1,00,000
Interest and penalty on delayed payment and filling of returns belonging to August 2018	20,000
Tax liability of CGST, SGST, IGST for supplied made during September 2018	1,20,000
Interest and penalty on delayed payment and filling of returns belonging to September 2018	20,000
Demand raised as per Section 73 or Section 74 under CGST Act,2017 belonging to January 2019	8,00,000
Demand raised as per the old provisions of Indirect Taxes	1,00,000

OR

Q3.B) 1. M/s Rose Ltd. has in its Electronic Credit Ledger Rs. 10,00,000 not paid the Tax Rs. 30,00,000 for the month of May 2018, on or before due date 20/06/2018. If Tax paid on 10/10/2018. Calculate interest payable @ 18% U/S50 under CGST Act? (5 Marks)

Q3.B) 2. Mr. Modi has output tax liability of Rs. 1,00,000 towards CGST and SGST/UTGST and Rs. 20,000 towards IGST and also interest payable of Rs. 1,800. Explain the manner of discharge of tax liability by Mr. Modi in following Two independent cases.

- i) ITC available of CGST, SGST of Rs. 5,000 each & IGST Rs. 25,000
- ii) ITC not available

(10 Marks)

Q4.A) Product Z was imported by Mr. Rahul by Air. The details of import transaction are as follows:

Particulars	US \$
Price of Product Z at exporter's factory	16,000
Freight from factory of exporter to load airport (airport in the country of exporter)	500
Loading and handling charges at loading airport	500
Freight from loading airport to airport of importation in India	7,000
Insurance Charges	4,000
Rate of Exchange	Rs. 64 per US \$

Rate of Basic Custom Duty [BCD]	15%
Social Welfare Surcharge [SWS]	10%
Integrated Tax U/S 3(7)	12%

Calculate Total Value of Product Z in India.

(15 Marks)

OR

Q4. B)1. Calculate Custom Duty Payable.

(10 Marks)

Particulars	Rs.
CIF Price of Imported (Luxury Car)	40,00,000
Cost of Transportation	2,50,000
Cost of Insurance	80,000
Rate of Basic Custom Duty [BCD]	60%
Social Welfare Surcharge [SWS]	10%
Integrated Tax U/S 3(7)	28%
GST compensation cess	15%

Q4. B) 2. Mr. Robart an Indian resident of 35 years returned to India after visiting London on 10<sup>th</sup> April 2019. On his baggage he brought following items with him:

Particulars	Rs.
Goods with personal effects like cloths etc	60,000
10 liters of Wine	5,000
Cigars 100 worth	21,000
A Microwave oven	30,000
Rate of Basic Custom Duty [BCD]	35%
Social Welfare Surcharge [SWS]	10%

Calculate Custom Duty Payable.

(5 Marks)

Q5.A) 1. Write any Eight Exempted Items from custom duty of Baggage Rules 2016 under Rule 3 from any annexure.

(8 Marks)

Q5.A) 2. Goods includes as per definition of Custom Act any Seven.

(7 Marks)

OR

Q5B) Write Short Notes Any Three:

(15 Marks)

- 1) Scope of Foreign Trade Policy 2015-20.
- 2) Objectives of Foreign Trade Policy 2015-20.
- 3) Guiding principles of Foreign Trade Policy 2015-20.
- 4) Different Types of Duties as per Custom Act.
- 5) Different Types of Audit as per CGST Act.



Duration: 2.5 hours

- Note: 1) All questions are compulsory.  
2) Working Notes should form part of your answer.  
3) Figures to the right indicate full marks.

**Q.1. (A) Select the correct alternatives and rewrite the sentence. (Any 8) (08)**

- 1) At present electricity Companies are governed by \_\_\_\_\_.
  - a) Electricity Act 1910
  - b) Electricity (Supply) Act 1948
  - c) Electricity Regulatory Companies Act 1998
  - d) Electricity Act 2003
- 2) The Whole of the day to day management of a co-operative society vests in \_\_\_\_\_.
  - a) The general body
  - b) The managing committee
  - c) The secretary
  - d) The chairman
- 3) Value of share of each member in capital of the society \_\_\_\_\_.
  - a) Rs.250
  - b) Rs.300
  - c) Rs.1500
  - d) Rs.3000
- 4) Interest is always calculated on the \_\_\_\_\_.
  - a) Market value of the security
  - b) Nominal value of the security
  - c) Book value of the security
  - d) Weighted average cost of the security
- 5) The cost of right shares is \_\_\_\_\_.
  - a) Added to the cost of investment
  - b) Subtracted from the cost of investment
  - c) No treatment is required
  - d) None of the above.
- 6) \_\_\_\_\_ is the fluctuating Income Bearing security.
  - a) Debenture
  - b) Equity Shares
  - c) Preference Shares
  - d) Government Security
- 7) The maximum load that fund can charge is determined by the \_\_\_\_\_.
  - a) AMC
  - b) SEBI
  - c) AMFI
  - d) Distribution agents based on demand for the fund
- 8) The NAV of the mutual Fund \_\_\_\_\_.
  - a) Is always constant
  - b) Keeps going up at steady rate
  - c) Fluctuates with market price movements
  - d) Cannot go down at all
- 9) A mutual Fund in India is a \_\_\_\_\_.
  - a) Body corporate
  - b) Company
  - c) Trust
  - d) An asset management company.



OR

Q.2. b. The Trial Balance of GLA Electric Supply Ltd. For the year ended 31<sup>st</sup> March, 2019 is as below:

Particulars	Dr. (000)	Cr. (000)
Share Capital:		
60,00,000 Equity shares of Rs. 10 each		60,000
Patents and Trademarks	2,000	-
14% Debentures	-	24,000
11% Term Loan	-	14,000
Land	12,400	-
Building	34,000	-
Power Plant	60,000	-
Electrical Instruments	5,600	-
Capital Reserves	-	7,200
Contingency Reserves	-	12,000
Transformers	16,400	-
Net Revenue Account	-	6,800
Inventories	11,600	-
Trade Receivables	6,400	-
Contingency Reserve Investments	12,000	-
Bank Balance	2,400	-
Public Lamps	3,200	-
Depreciation Fund	-	24,000
Trade Payables	-	6,000
Declared Dividend	-	12,000
	1,66,000	1,66,000

Prepare Balance sheet of GLA Electric Supply for the year ended 31<sup>st</sup> March, 2019.

Q.3. a. During the year ended 31<sup>st</sup> March 2018 Mr. Amod bought and sold the following 12% debentures of Rs.100 each of Sunshine Ltd. Interest being payable by Sunshine Ltd on 1<sup>st</sup> April and 1<sup>st</sup> October every year. (15)

Date	Particulars
1 <sup>st</sup> June 2017	Bought 300 Debentures at 92 ex-Interest
1 <sup>st</sup> September 2017	Bought 100 Debentures at 94 cum-Interest
1 <sup>st</sup> December 2017	Sold 200 Debentures at 95 ex-Interest
1 <sup>st</sup> February 2018	Bought 150 Debentures at 98 cum-Interest

Books are closed on 31<sup>st</sup> March every year. Market Price on 31<sup>st</sup> March 2018 was Rs.90 per debenture. You are required to prepare Investment in 12% Debentures in Sunshine Ltd. Account for the year ended 31<sup>st</sup> March, 2018 in the books of Mr. Amod.

OR

Q.3 b. Mr. Sawant entered in to the following transactions of purchases and sale of equity Rainbow Ltd. The shares have paid up value of Rs.10 per share.

Date	No of Shares	Terms
01-01-2018	600	Buy @ Rs.20 per share
15-03-2018	900	Buy @ Rs.25 per share
20-05-2018	1000	Buy @ Rs.22 per share
25-07-2018	2500	Bonus shares received
20-12-2018	1500	Sale @ Rs.22 per share
01-02-2019	1000	Sale @ Rs.24 per share

Additional Information

1. On 15<sup>th</sup> September 2018 dividend @ Rs.3 per share was received for the year ended March 2018.
2. On 12<sup>th</sup> November 2018 the company made right issue of equity shares in the ratio of one share for five shares held on payment of Rs.20 per share. He subscribed to 60% of the shares and renounced the remaining shares on receipt of premium of Rs.3 per share.
3. Shares are to be valued on weighted average cost basis.

You are required to prepare Investment Account for the year ended 31-03-2018 and 31-03-2019.

Q.4 (A)

Calculate the NAV of a Mutual fund from the following information:

(08)

On 1/4/2017

Outstanding units 1 Crore of Rs.10 each = Rs.10 Crores (Market value Rs.16 Crores)

Outstanding Liability Rs.5 Crore.

Other Information

- 20 lakhs units were sold during the year at Rs.24 per unit.
- No additional investments were made during the year and as at the year end 50% of the investment held at the beginning of the year were quoted at 80% of book value.
- 10% of the investment have declined permanently 10 % below cost
- At the year 31/03/2018 outstanding liabilities were Rs.1 Crore.
- Remaining Investments were quoted at Rs.13 crores.

Q.4(B)

The investment portfolio of a mutual fund scheme includes 5000 shares of A Ltd and 4000 shares of B Ltd acquired on 31<sup>st</sup> December 2016. The cost of A Ltd's share is Rs.40 while B Ltd's shares is Rs.60. The market value of these shares at the end of the 2016-17 was Rs.38 and Rs.64 respectively. On 30/06/2017, shares of both the companies were disposed off realising Rs.37 per A Ltd's share and Rs.67 per B Ltd's share. Show important accounting entries in the books of the fund for the accounting years 2016-17 and 2017-18

(07)

OR

Q.4 (C)

(15)

A Metro Mutual fund Co. has the following assets under it on the close of business as on:

Company	No of shares	1 <sup>st</sup> February 2012 Market price per share (Rs)	2 <sup>nd</sup> February 2012 Market price per share (Rs)
NG	20,000	20.00	20.50
MD	30,000	312.40	360.00
PC	20,000	361.20	382.10
PS	60,000	505.10	503.90

Total No of Units 6,00,000

1. Calculate Net Asset Value (NAV) of the fund
2. Assuming One Mr. A, submits a cheque Rs.30,00,000 to the mutual fund and the mutual fund manager of this company purchases 8,000 shares of MD Ltd and the balance amount is held in Bank. In such a case what would be the position of the fund.
3. Find new NAV of the fund as on 2<sup>nd</sup> February,2012.

Q.5 A Discuss the meaning and features of Mutual Fund.

(08)

Q.5 B Explain effect of Ex-interest and Cum-Interest price on Accounting.

(07)

OR

Q.5 C Write short note on ( Any 3 )

(15)

1. Pre acquisition dividend.
2. Types of Mutual Fund
3. Reserve Fund in Co-op housing society.
4. Accounting for Depreciation for Electricity accounts
5. Large Cap, Mid Cap and Small Cap mutual funds.



(2 ½ Hours)

Marks : 75

Q.1. A) Select the correct alternative from the choices given below and rewrite the statement. (Any 8) (8)

1. Under Net Asset Value method value of shares are depends on \_\_\_\_\_
  - a) Net asset available to equity shareholders
  - b) Net assets available to debenture holders
  - c) Net assets available to preference shareholders
  - d) None of the above
  
2. Fair value of the share is equal to \_\_\_\_\_
  - a) Intrinsic value only
  - b) Yield value only
  - c) Average of Intrinsic value and Yield value
  - d) None of the above
  
3. Amalgamation is governed by \_\_\_\_\_
  - a) AS14
  - b) AS 3
  - c) AS 21
  - d) AS 32
  
4. A new company is formed under \_\_\_\_\_
  - a) Absorption
  - b) Reconstruction
  - c) Amalgamation
  - d) All of the above
  
5. Balance of capital reduction should be transfer to \_\_\_\_\_
  - a) Security premium
  - b) Capital reserve
  - c) Share capital
  - d) Profit & Loss Account
  
6. In case of Lease legal title is with \_\_\_\_\_
  - a) Lessor
  - b) Lessee
  - c) Agent
  - d) None of the above

7. Internal reconstruction requires \_\_\_\_\_
- Special resolution passed at General meeting
  - Special resolution passed at Board meeting
  - Ordinary resolution passed at General meeting
  - Ordinary resolution passed at Board meeting.
8. Installment is equal to \_\_\_\_\_
- Principal + Interest
  - Principal- Interest
  - Cash Price+ Interest
  - Cash Price- Down Payment
9. Initial payment made on signing of agreement is \_\_\_\_\_
- Down payment
  - Hire purchase price
  - Cash price
  - Interest
10. Factoring involves \_\_\_\_\_
- Management of debtors
  - Borrowing from banks
  - Borrowing against Bills of exchange
  - Payment of creditors

**Q.1. B) State whether following statements are True or False.(Any 7)**

(7)

- Net Asset value method is based on the assumption that the company is going to liquidated.
- Discounted Cash Flow method considers time value of money.
- Merger of two companies operating in the same market is called horizontal merger and amalgamation.
- A situation where combined firm is more valuable than the sum of the individual combined firm is called synergy.
- Corporate restructuring changes organization structure.
- Capital reduction requires approval from the High Court.
- In case of any default, the factor has to bear risk of loss due to bad debts.
- Working capital finance is provided against inventories.
- Lease rental increase tax liability.
- Under hire purchase system purchaser become owner of goods on signing of agreement.



Q.2. A) Following is the summarized balance sheet of Suzuki Ltd. as on 31<sup>st</sup> March 2019. (15)

Liabilities	Rs.	Assets	Rs.
<b>Share capital</b>		Land and Building	2,30,000
600, 10% Preference shares of Rs. 100 each fully Paid	60,000	Plant and Machinery	2,50,000
6000, Equity shares of Rs. 100 each fully paid	6,00,000	Stock	1,10,000
<b>Reserves and Surplus</b>	1,50,000	Debtors	40,000
<b>Secured loan</b>		Cash at bank	1,50,000
600, 9% debentures of Rs. 100 each	60,000	Cash in hand	60,000
Sundry creditors	60,000	Investment in 10% Govt. Securities	50,000
		Preliminary expenses	40,000
	<b>9,30,000</b>		<b>9,30,000</b>

The average net profit earned by the company amount Rs. 1, 14,000. Every year an amount equal to 10% of the profit earned was transferred to general reserve. The industry average rate of return is 10% of the share value .On 31<sup>st</sup> March 2019 independent expert valuer has assessed the values of following assets:

Assets	Rs.
Goodwill	2,07,000
Land and building	2,40,000
Plant and Machinery	2,40,000
Stock	1,20,000
Debtors	30,000
Investment in 10% Govt. securities	60,000

On the basis of above information calculate the value of equity shares of company by

- Net Asset Method
- Yield Method
- Also calculate fair value of the company's share considering above two methods.

OR

Q.2.B) Calculate EVA from the following information. (8)

Debt= Rs. 250 Crore  
 Equity= Rs. 500 Crore  
 Cost of debt ( after tax) = 8%  
 Cost of equity= 15%  
 EBIT (Operating Profit) = 92 crore  
 Tax rate= 40%

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Q.2. C) Calculate MVA from the following information of Alpha Ltd.

(7)

Balance Sheet of Alpha Ltd. as on 31<sup>st</sup> March 2019

Liabilities	Rs. In Lakhs	Assets	Rs. in Lakhs
Equity Share Capital of Rs. 10 each	1,200	Building	1,800
Retained earning	600	Machinery	800
8% Term loan	800	Stock	100
Bills Payable	350	Debtors	80
Provision	430	Bank	600
	<b>3380</b>		<b>3380</b>

Profit After Tax (PAT) = Rs. 2, 271 ( in Lakhs), P/E Ratio = 2

Q.3. A) Zigma Ltd is intending to acquire Sigma Ltd. by merger and following information is available in respect of the companies.

(15)

Particulars	Zigma Ltd.	Sigma Ltd.
Equity Share capital of Rs. 10 each (Rs. lakhs)	450	180
Earnings After Tax ( Rs. Lakhs)	90	18
Market price of each Share(Rs.)	60	37

On the basis of above information you are required to calculate following:

- What is the present EPS of both the companies?
- What is the present Price Earning Ratios ( PE ratios) of both the companies?
- If proposed merger takes place , What would be the new EPS for Zigma Ltd. ( assuming that the merger takes place by exchange of equity shares and the exchange ratio is based on the current market price)
- What should be the exchange ratio, if Sigma Ltd. Want to ensure the same EPS to members as before the merger takes place?

OR

Q. 3.B) Raghav takes an asset on finance lease from Rama Ltd. the terms of which are given below:

(8)

- Lease Term : 4 years
- Fair value of asset at the inception of Lease: Rs. 12,50,000
- Lease Rent : Rs. 4,00,000 at the end of year
- Expected residual value : Rs. 1,88,000
- Implicit rate of interest; 15%

You are required to prepare loan amortization schedule

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Page 4 of 6

Q.3. C) Ram Ltd. Purchased machinery from Sham Ltd. under hire purchase basis. (7)

The details of purchase are:

- a) Cash Prize: Rs. 1,58,000
- b) Down payment: 20%
- c) Balance amount to be paid in 4 equal yearly installment of Rs. 40,000 each.
- d) Rate of interest is 10%

Prepare table to show analysis of payment and calculation of interest.

Q.4 A )Following is the Balance Sheet of Gangram Ltd. On 31<sup>st</sup> March 2019. (15)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share Capital <i>Equity</i>		Goodwill <i>X</i>	50,000
4,000 <del>preference</del> shares of Rs. 100 each	4,00,000	Premises	1,50,000
3,000 Preference shares of Rs. 100 each	3,00,000	Machinery	4,00,000
10% Mortgage debentures	2,00,000	Stock in trade <i>X</i>	60,000
Sundry Creditors	1,80,000	Sundry Debtors <i>X</i>	1,00,000
		Profit & Loss A/c <i>X</i>	3,20,000
	<b>10,80,000</b>		<b>10,80,000</b>

Owing to heavy losses the committee of shareholders and creditors approved the following scheme of reconstruction:

- a) Preference shares to be reduced to Rs. 75 each fully paid.
  - b) The equity shares to be reduced to Rs. 40 each fully paid up.
  - c) The debenture holders took over the stock and book debts in fully satisfaction of the amount due to them.
  - d) Sundry creditors agreed to reduce their claim to Rs. 1,30,000 which was to be satisfied by the issues of 3,250 fully paid shares of Rs. 40 each.
  - e) The goodwill and Profit and Loss A/c to be eliminated.
  - f) Premises to be appreciated by 20% and the machinery to be depreciated by Rs. 30,000.
- On the basis of above information pass journal entries, prepare capital reduction account and revised balance sheet after reconstruction.

OR

Q.4 B) PQR Ltd. is planning to lease the asset having total value of Rs. 1,00,000 on rentals of Rs. 35000 p.a. for five years. The following additional information is available.

- a) The company has an effective tax rate of 30%.
- b) The company employs a discounting rate of 16%

You required calculating net cash outflow of the company, if company opts for leasing of asset for five years, considering the above discount rate.

Q.4 C) L & T Company plans to issue commercial paper (CP) of Rs. 1,00,000 at a price of Rs. 98,000 with maturity period of 4 months. Company has also incurred following cost for issue of CP : (7)

- a) Brokerage- 0.10%
- b) Rating Charges- 0.60%
- c) Stamp Duty- 0.15%

Find effective interest rate and the cost of fund.

Q.5. A) What are different approaches to valuation of business? (8)

B) Explain various advantages of merger and acquisition. (7)

OR

Q.5. Write note on the following. ( Any 3) (15)

- A) Merger Vs Take over
  - B) Leasing Vs Hire purchase
  - C) Forms of restructuring
  - D) Takeover
  - E) Trade credits
-

T/BAF  
SEM VI

T/BAF SEM VI 2017

(2 ½ Hours)

Marks : 75

Q.1. A) Select the correct alternative from the choices given below and rewrite the statement. (Any 8) (8)

1. Under Net Asset Value method value of shares are depends on \_\_\_\_\_
  - a) Net asset available to equity shareholders
  - b) Net assets available to debenture holders
  - c) Net assets available to preference shareholders
  - d) None of the above
  
2. Fair value of the share is equal to \_\_\_\_\_
  - a) Intrinsic value only
  - b) Yield value only
  - c) Average of Intrinsic value and Yield value
  - d) None of the above
  
3. Amalgamation is governed by \_\_\_\_\_
  - a) AS14
  - b) AS 3
  - c) AS 21
  - d) AS 32
  
4. A new company is formed under. \_\_\_\_\_
  - a) Absorption
  - b) Reconstruction
  - c) Amalgamation
  - d) All of the above
  
5. Balance of capital reduction should be transfer to \_\_\_\_\_
  - a) Security premium
  - b) Capital reserve
  - c) Share capital
  - d) Profit & Loss Account
  
6. In case of Lease legal title is with \_\_\_\_\_
  - a) Lessor
  - b) Lessee
  - c) Agent
  - d) None of the above

7. Internal reconstruction requires \_\_\_\_\_
- Special resolution passed at General meeting
  - Special resolution passed at Board meeting
  - Ordinary resolution passed at General meeting
  - Ordinary resolution passed at Board meeting.
8. Installment is equal to \_\_\_\_\_
- Principal + Interest
  - Principal- Interest
  - Cash Price+ Interest
  - Cash Price- Down Payment
9. Initial payment made on signing of agreement is \_\_\_\_\_
- Down payment
  - Hire purchase price
  - Cash price
  - Interest
10. Factoring involves \_\_\_\_\_
- Management of debtors
  - Borrowing from banks
  - Borrowing against Bills of exchange
  - Payment of creditors

**Q.1. B) State whether following statements are True or False.(Any 7)**

**(7)**

- Net Asset value method is based on the assumption that the company is going to liquidated.
- Discounted Cash Flow method considers time value of money.
- Merger of two companies operating in the same market is called horizontal merger and amalgamation.
- A situation where combined firm is more valuable than the sum of the individual combined firm is called synergy.
- Corporate restructuring changes organization structure.
- Capital reduction requires approval from the High Court.
- In case of any default, the factor has to bear risk of loss due to bad debts.
- Working capital finance is provided against inventories.
- Lease rental increase tax liability.
- Under hire purchase system purchaser become owner of goods on signing of agreement.

TUPAF 2019 Sem 2

Paper / Subject Code: 85603 / Financial Management - III

Q.2. A) Following is the summarized balance sheet of Suzuki Ltd. as on 31<sup>st</sup> March 2019. (15)

Liabilities	Rs.	Assets	Rs.
<b>Share capital</b>		Land and Building	2,30,000
600, 10% Preference shares of Rs. 100 each fully Paid	60,000	Plant and Machinery	2,50,000
6000, Equity shares of Rs. 100 each fully paid	6,00,000	Stock	1,10,000
<b>Reserves and Surplus</b>	1,50,000	Debtors	40,000
<b>Secured loan</b>		Cash at bank	1,50,000
600, 9% debentures of Rs. 100 each	60,000	Cash in hand	60,000
Sundry creditors	60,000	Investment in 10% Govt. Securities	50,000
		Preliminary expenses	40,000
	<b>9,30,000</b>		<b>9,30,000</b>

The average net profit earned by the company amount Rs. 1, 14,000. Every year an amount equal to 10% of the profit earned was transferred to general reserve. The industry average rate of return is 10% of the share value .On 31<sup>st</sup> March 2019 independent expert valuer has assessed the values of following assets:

Assets	Rs.
Goodwill	2,07,000
Land and building	2,40,000
Plant and Machinery	2,40,000
Stock	1,20,000
Debtors	30,000
Investment in 10% Govt. securities	60,000

On the basis of above information calculate the value of equity shares of company by  
a) Net Asset Method  
b) Yield Method  
c) Also calculate fair value of the company's share considering above two methods.

OR

Q.2 B) Calculate EVA from the following information. (8)

- Debt= Rs. 250 Crore
- Equity= Rs. 500 Crore
- Cost of debt ( after tax) = 8%
- Cost of equity= 15%
- EBIT (Operating Profit) = 92 crore
- Tax rate= 40%

68028

Q.2. C) Calculate MVA from the following information of Alpha Ltd.

(7)

Balance Sheet of Alpha Ltd. as on 31<sup>st</sup> March 2019

Liabilities	Rs. In Lakhs	Assets	Rs.in Lakhs
Equity Share Capital of Rs. 10 each	1,200	Building	1,800
Retained earning	600	Machinery	800
8% Term loan	800	Stock	100
Bills Payable	350	Debtors	80
Provision	430	Bank	600
	<b>3380</b>		<b>3380</b>

Profit After Tax (PAT)= Rs. 2, 271 ( in Lakhs), P/E Ratio = 2

Q.3. A) Zigma Ltd is intending to acquire Sigma Ltd. by merger and following information is available in respect of the companies.

(15)

Particulars	Zigma Ltd.	Sigma Ltd.
Equity Share capital of Rs. 10 each (Rs. lakhs)	450	180
Earnings After Tax ( Rs. Lakhs)	90	18
Market price of each Share(Rs.)	60	37

On the basis of above information you are required to calculate following:

- What is the present EPS of both the companies?
- What is the present Price Earning Ratios ( PE ratios) of both the companies?
- If proposed merger takes place , What would be the new EPS for Zigma Ltd. ( assuming that the merger takes place by exchange of equity shares and the exchange ratio is based on the current market price)
- What should be the exchange ratio, if Sigma Ltd. Want to ensure the same EPS to members as before the merger takes place?

OR

Q. 3.B) Raghav takes an asset on finance lease from Rama Ltd. the terms of which are given below:

(8)

- Lease Term : 4 years
- Fair value of asset at the inception of Lease: Rs. 12,50,000
- Lease Rent : Rs. 4,00,000 at the end of year
- Expected residual value : Rs. 1,88,000
- Implicit rate of interest; 15%

You are required to prepare loan amortization schedule



## Paper / Subject Code: 85603 / Financial Management - III

Q.3. C) Ram Ltd. Purchased machinery from Sham Ltd. under hire purchase basis. (7)

The details of purchase are:

- Cash Prize: Rs. 1,58,000
- Down payment: 20%
- Balance amount to be paid in 3 yearly installment of Rs. 12, 00,000 each.
- Rate of interest is 10%

Prepare table to show analysis of payment and calculation of interest.

Q.4 A )Following is the Balance Sheet of Gangram Ltd. On 31<sup>st</sup> March 2019. (15)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
<b>Share Capital</b>		Goodwill	50,000
4,000 preference shares of Rs. 100 each	4,00,000	Premises	1,50,000
3,000 Preference shares of Rs. 100 each	3,00,000	Machinery	4,00,000
10% Mortgage debentures	2,00,000	Stock in trade	60,000
Sundry Creditors	1,80,000	Sundry Debtors	1,00,000
		Profit & Loss A/c	3,20,000
	<b>10,80,000</b>		<b>10,80,000</b>

Owing to heavy losses the committee of shareholders and creditors approved the following scheme of reconstruction:

- Preference shares to be reduced to Rs. 75 each fully paid.
  - The equity shares to be reduced to Rs. 40 each fully paid up.
  - The debenture holders took over the stock and book debts in fully satisfaction of the amount due to them.
  - Sundry creditors agreed to reduce their claim to Rs. 1,30,000 which was to be satisfied by the issues of 3,250 fully paid shares of Rs. 40 each.
  - The goodwill and Profit and Loss A/c to be eliminated.
  - Premises to be appreciated by 20% and the machinery to be depreciated by Rs. 30,000.
- On the basis of above information pass journal entries, prepare capital reduction account and revised balance sheet after reconstruction.

OR

Q.4 B) PQR Ltd. is planning to lease the asset having total value of Rs. 1,00,000 on rentals of Rs. 35000 p.a. for five years. The following additional information is available. (8)

- a) The company has an effective tax rate of 30%.
- b) The company employs a discounting rate of 16%

You required calculating net cash outflow of the company, if company opts for leasing of asset for five years, considering the above discount rate.

Q.4 C) L & T Company plans to issue commercial paper (CP) of Rs. 1,00,000 at a price of Rs. 98,000 with maturity period of 4 months. Company has also incurred following cost for issue of CP : (7)

- a) Brokerage- 0.10%
- b) Rating Charges- 0.60%
- c) Stamp Duty- 0.15%

Find effective interest rate and the cost of fund.

Q.5. A) What are different approaches to valuation of business? (8)

B) Explain various advantages of merger and acquisition. (7)

OR

Q.5. Write note on the following. ( Any 3) (15)

- A) Merger Vs Take over
  - B) Leasing Vs Hire purchase
  - C) Forms of restructuring
  - D) Takeover
  - E) Trade credits
-

TIBAF  
Sem IV

DURATION : 2½ Hours

Total Marks: 75

NOTE: ALL QUESTIONS ARE COMPULSORY.

Q1.A. Match the column (Any Eight)

(8 Marks)

Sr. No.	Column A	Sr. No.	Column B
1	Electronic Liability Ledger	A	Input tax credit
2	Refund	B	Export by vessel or aircraft
3	Electronic Credit Ledger	C	All liabilities
4	Imported Goods	D	Under Section 2 (13) Custom Act
5	Shipping bill	E	All payments
6	Electronic cash Ledger	F	Taxable Purchase or Sales
7	TDS	G	Under Section 2 (19) Custom Act
8	TCS	H	Under Section 2 (25) Custom Act
9	Exported Goods	I	Under Section 54 CGST Act
10	Custom Station	J	Under Section 51 CGST Act
		K	Under Section 52 CGST Act

Q1. B State whether True or False (Any Seven)

(7 Marks)

- Imports of light fitting by passenger including short visit abroad qualify as bonafide baggage.
- Infant means a child not more than four years of age.
- Baggage includes motor vehicles.
- Landing charges are to be added to CIF value.
- GST means Good night Sweet dream Take care.
- A Dealer is liable for registration under GST Act, only if his Supply exceeds Rs. 20,00,000.
- Maximum Rate of Interest is 8% U/S 50(1).
- All services are Supply.
- Temporary detention of Baggage if it includes import of prohibited items.
- FOB means free on board.

Q2. A) The details of purchase and Sales of Mr. Ravikishan who started business during the financial year 2018-2019 are given as follows:

(15 Marks)

Particulars	Rs.
Intra State Supply of goods	18,00,000
Inter State Supply of goods	13,00,000
Intra State Purchases of goods	13,00,000
Inter State Purchases of goods	1,50,000
ITC at the beginning [op.bal.]	
CGST	1,30,000
SGST	1,30,000
IGST	1,70,000

If inward and outward supplies are exclusive of taxes. Find out whether he is liable for payment under GST, And Total GST Payable U/S 49 if tax rate is CGST, SGST, IGST is 9%, 9%, and 18%.

OR

Q2. B) ACS Ltd. Operating in Two States Andhra Pradesh and Tamil Nadu, the Tax Liability for the month of March 2019 is as follows:

(15 Marks)

Particulars	Andhra Pradesh	Tamil Nadu
	Rs.	Rs.
Output CGST payable	25,000	10,000
Output SGST payable	10,000	5,000
Output IGST payable	3,000	2,500
Input Credit CGST	8,000	13,000
Input Credit SGST	15,000	1,500
Input Credit IGST	12,000	16,000

Prepare different ledger and Find out whether ACS Ltd. is liable for payment under GST or Not?

Q3.A) 1. M/S Ravi Dyeing Pvt. Ltd. Supplied goods worth Rs. 10,00,000 to M/S Yunus Pvt. Ltd. in the month of September,2017 plus GST 12%. M/S Ravi Dyeing Pvt. Paid the GST on 5<sup>th</sup> December 2018. The amount of input tax is 70,000 is available in the books. Calculate interest payable @18% pa U/S50 under CGST Act?

(5 Marks)

Q3.A) 2. The details of business transactions of Mr. Nandi who started business on 1<sup>st</sup> April 2019 are given below. If he has Rs. 5,00,000 in his electronic cash ledger suggest him order of discharge of liability U/S 49(8): (10 Marks)

Particulars	Rs.
Tax liability of CGST, SGST, IGST for supplied made during August 2018	1,00,000
Interest and penalty on delayed payment and filling of returns belonging to August 2018	20,000
Tax liability of CGST, SGST, IGST for supplied made during September 2018	1,20,000
Interest and penalty on delayed payment and filling of returns belonging to September 2018	20,000
Demand raised as per Section 73 or Section 74 under CGST Act,2017 belonging to January 2019	8,00,000
Demand raised as per the old provisions of Indirect Taxes	1,00,000

**OR**

Q3.B) 1. M/s Rose Ltd. has in its Electronic Credit Ledger Rs. 10,00,000 not paid the Tax Rs. 30,00,000 for the month of May 2018, on or before due date 20/06/2018. If Tax paid on 10/10/2018. Calculate interest payable@ 18% U/S50 under CGST Act? (5 Marks)

Q3.B) 2. Mr. Modi has output tax liability of Rs. 1,00,000 towards CGST and SGST/UTGST and Rs. 20,000 towards IGST and also interest payable of Rs. 1,800. Explain the manner of discharge of tax liability by Mr. Modi in following Two independent cases.

- i) ITC available of CGST, SGST of Rs. 5,000 each & IGST Rs. 25,000
- ii) ITC not available

(10 Marks)

Q4.A) Product Z was imported by Mr. Rahul by Air. The details of import transaction are as follows:

Particulars	US \$
Price of Product Z at exporter's factory	16,000
Freight from factory of exporter to load airport (airport in the country of exporter)	500
Loading and handling charges at loading airport	500
Freight from loading airport to airport of importation in India	7,000
Insurance Charges	4,000
Rate of Exchange	Rs. 64 per US \$

Rate of Basic Custom Duty [BCD]	15%
Social Welfare Surcharge [SWS]	10%
Integrated Tax U/S 3(7)	12%

Calculate Total Value of Product Z in India. (15 Marks)

OR

Q4. B)1. Calculate Custom Duty Payable. (10 Marks)

Particulars	Rs.
CIF Price of Imported (Luxury Car)	40,00,000
Cost of Transportation	2,50,000
Cost of Insurance	80,000
Rate of Basic Custom Duty [BCD]	60%
Social Welfare Surcharge [SWS]	10%
Integrated Tax U/S 3(7)	28%
GST compensation cess	15%

Q4. B) 2. Mr. Robart an Indian resident of 35 years returned to India after visiting London on 10<sup>th</sup> April 2019. On his baggage he brought following items with him:

Particulars	Rs.
Goods with personal effects like cloths etc	60,000
10 liters of Wine	5,000
Cigars 100 worth	21,000
A Microwave oven	30,000
Rate of Basic Custom Duty [BCD]	35%
Social Welfare Surcharge [SWS]	10%

Calculate Custom Duty Payable. (5 Marks)

Q5.A) 1. Write any Eight Exempted Items from custom duty of Baggage Rules 2016 under Rule 3 from any annexure. (8 Marks)

Q5.A) 2. Goods includes as per definition of Custom Act any Seven. (7 Marks)

OR

Q5B) Write Short Notes Any Three: (15 Marks)

- 1) Scope of Foreign Trade Policy 2015-20.
- 2) Objectives of Foreign Trade Policy 2015-20.
- 3) Guiding principles of Foreign Trade Policy 2015-20.
- 4) Different Types of Duties as per Custom Act.
- 5) Different Types of Audit as per CGST Act.

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

(8 marks)

1	Interest paid by firm to partners	A	2%
2	TDS on payment to contractor for firm, co. etc	B	If tax payable is Rs 10,000 or more
3	Advance tax payable	C	10%
4	TDS on rent of land & building	D	TDS on interest
5	Section 194 A	E	Payment to Resident contractor
6	Section 194 C	F	Set-off under the same head
7	Income of minor child	G	4 years
8	Dividend from Indian company	H	12% p.a.
9	Speculative loss can be carried forward for	I	Exempt u/s 10
10	Section 70	J	Exemption of 1500/-

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

(7 Marks)

- Section 194 H is not applicable to commission or brokerage payable by \_\_\_\_\_.  
a) BSNL b) Firm c) Company.
- Speculative loss can be set-off against \_\_\_\_\_.  
a) Speculative Income b) Business Income c) Income from other sources.
- Partners share in the profits of the firm is \_\_\_\_\_.  
a) Taxable b) Not Taxable c) ignored
- \_\_\_\_\_ aims to prevent tax avoidance by diversion of income.  
a) Double Taxation b) Clubbing of income c) Set-off.
- Company assesses are required to pay advance tax in \_\_\_\_\_.  
a) Two installments b) three installments c) four installments.
- Remuneration paid to \_\_\_\_\_ partner of the firm within the limit specified is allowable as business expenditure.  
a) sleeping b) working c) any
- Long term capital loss can be set-off against \_\_\_\_\_.  
a) Long term capital Gain b) Speculative Income c) Short term capital gain.
- While applying for TDS on rent, service tax is to be \_\_\_\_\_.  
a) excluded b) included c) ignored.
- How many times revised return can be revised?  
a) one time b) two times c) three times d) any number of times as nothing specified in the Income Tax Act regarding this.
- Capital loss can be carried for \_\_\_\_\_ assessment year.  
a) 16 b) 8 c) 4.

Q.2] (A) Mr. Vikas and minor son Vicky provide you with the following information for the year ended 31-03-2017

(8 Marks)

Particulars	Mr. Vikas	Master Vicky
Income from Salary	1,00,000	Nil
Income from House property	90,000	Nil
Income from Profession ( Professional fees received as a Dancer)	Nil	25,000
Interest on Fixed Deposits	10,000	2,000
Dividend from A Ltd.	5,000	

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

Q.2] (B)

(7 Marks)

Mr. Vijay started a proprietary business on 01-04-2015 with a capital of Rs.5,00,000. he incurred Loss of Rs.2,00,000 during the year 2015-16. To overcome the financial position, his wife Mrs Vidya, a software engineer gave a gift of Rs, 5,00,000 on 01-04-2016, which was immediately Invested in the business by Mr. Vijay. He earned a profit of Rs.4,00,000 during the year 2016-17. **Compute the amount to be clubbed in the hands of Mrs Vidya for the assessment year 2017-18.** If Mrs. Vidya gave the said amount as loan, what would be the amount to be clubbed?

OR

Q.2] Mr. Sameer submits the following information for the A Y 2017-18

(15 Marks)

Particulars	Rs
Salary income taxable	48,000
House property income:	
House 1 Income	37,000
House 2 loss	(27,000)
Textile Business (discontinued on 10.10.2015)	(20,000)
Brought forwarded loss of textile Business – A Y 2014-15	(80,000)
Chemical Business (discontinued on 15-3-16) b/fd loss of previous year 2015-16	(25,000)
Unabsorbed depreciation of previous year 2016-17	(15,000)
Income from chemical business	40,000
Leather Business	62,000
Interest on securities held as stock in trade	10,000

**Determine the gross total income of Mr. Sameer for the assessment year 2017-18 and also compute the amount of loss that can be carried forward to the subsequent years.**

Q.3]

(15 Marks)

Compute the taxable income of Mr. Dipak for the Assessment year 2017-18:

Particulars	Rs
Net Income from Chemical business	1,00,30,000
Interest on Saving Bank Account	900
Share of Profit from a Partnership Concern	5,22,000
Short term capital Gain on Land	24,000
Short-term Capital Gain on House Property	1,20,000
Share of income from HUF in which he is a Member	2,82,000
Winning from Horse Race	10,000
Interest on Bank Deposits:	
-Deposit in his own name	4,000
- In the name of minor son	1,300
Amount for medical Treatment	49,000
Amount paid to ICICI Pension plan	12,000

OR



Q.3]

(15 Marks)

The broad break-up of tax and allied details of Mrs. Gauri, born on 31<sup>st</sup> March 1953 are as under:

Long term capital gains on sale of house	2,00,000
Short term capital gains on sale of share in B Ltd (STT paid)	30,000
Prize winning from a T. V. show	20,000
Business income	2,20,000
Net agricultural income	40,000
Deduction allowed under section 80C to 80U	60,000

Compute the tax payable by Mrs. Gauri for the assessment year 2016-17.

Q.4]

(15 Marks)

Profit and Loss Account of ABC and Company, a partnership firm, for the year ending on 31<sup>st</sup> March 2017 is as follows.

Particulars	Rs	Particulars	Rs
Cost of Goods Sold	18,00,000	Sales	26,00,000
Municipal Taxes of House Property	30,000	Gross Rent of House Property	1,20,000
Sundry Expenses	42,100	(let out throughout the year)	
Other Expenses	1,35,000		
Interest on Partners Capital@ 10% p.a.	1,20,000		
Remuneration to Partners	45,500		
Depreciation	3,67,400		
<b>Net Profit</b>	<b>27,20,000</b>		<b>27,20,000</b>

Other information

- a) Other expenses of Rs. 12,000 is not deductible under section 36 and 37 of Income Tax Act.
- b) Depreciation as per Section 32 is Rs. 31,500
- c) All the conditions of section 40 (b) are satisfied

Calculate the Taxable Income and Income Tax Liability of the firm for the Assessment Year 2017-18.

OR

Q.4](A)

(8 Marks)

Compute the amount of tax to be deducted at source in the following cases:

- a) Radhika Ltd. takes a building on rent and sublets it is A Ltd-A Ltd pays Rs. 8,00,000 as rent.
- b) Radhika Ltd. takes a building on rent from Sagar (rent being Rs. 16,000 pm)
- c) Tata Ltd. takes a commercial building on rent (rent being Rs. 4,00,000). Rent is payable in December to three co-owners as follows:

Recipient 'P' : Rs. 1,90,000

Recipient 'Q' : Rs. 2,00,000

Recipient 'R' : Rs. 10,000

Q.4](B)

(8 Marks)

Determine on which of the following payments tax is to be deducted at source for the Assessment year 2017-18.

No	Payee	Payee	Nature of Payment	Rs
i)	Mr.Sagar and Co. (a partnership firm)	Mr.Sagar (a partner)	Interest on capital	15,000
ii)	Indian Post office	Mr. Dipesh (age 69 years)	Interest on Senior Citizen Savings scheme Account	18,000
iii)	Satara Sahakari Bank Ltd	Mr. Ashwin	Interest on Fixed Deposit	21,000
iv)	Motor Accident Claim Tribunal	Mrs. Puja	Interest on Compensation of Rs. 1,00,000	9,000
v)	Income Tax Department	Mr. Mayank	Interest on Income Tax Refund	6,000

Q.5] A) What are the provisions for set-off and carry forward of losses under the head "Capital Gains"? (8 Marks)

B) Explain the limits for remuneration to partners u/s 40(b). (7 Marks)

OR

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

- Clubbing of Income of Minor
- Fees for professional services u/s 194 J
- TDS from rent u/s 194 I
- Bilateral Relief
- Tax liability of firm

\*\*\*\*\*

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

(8 marks)

1	Interest paid by firm to partners	A	2%
2	TDS on payment to contractor for firm, co. etc	B	If tax payable is Rs 10,000 or more
3	Advance tax payable	C	10%
4	TDS on rent of land & building	D	TDS on interest
5	Section 194 A	E	Payment to Resident contractor
6	Section 194 C	F	Set-off under the same head
7	Income of minor child	G	4 years
8	Dividend from Indian company	H	12% p.a.
9	Speculative loss can be carried forward for	I	Exempt u/s 10
10	Section 70	J	Exemption of 1500/-

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

(7 Marks)

- Section 194 H is not applicable to commission or brokerage payable by \_\_\_\_\_.  
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a) one time b) two times c) three times d) any number of times as nothing specified in the Income Tax Act regarding this.
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a) 16 b) 8 c) 4.

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(8 Marks)

Particulars	Mr. Vikas	Master Vicky
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Income from House property	90,000	Nil
Income from Profession ( Professional fees received as a Dancer)	Nil	25,000
Interest on Fixed Deposits	10,000	2,000
Dividend from A Ltd.	5,000	

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

Q.2] (B)

(7 Marks)

Mr. Vijay started a proprietary business on 01-04-2015 with a capital of Rs.5,00,000. he incurred Loss of Rs.2,00,000 during the year 2015-16. To overcome the financial position, his wife Mrs Vidya, a software engineer gave a gift of Rs. 5,00,000 on 01-04-2016, which was immediately Invested in the business by Mr. Vijay. He earned a profit of Rs.4,00,000 during the year 2016-17. **Compute the amount to be clubbed in the hands of Mrs Vidya for the assessment year 2017-18.** If Mrs. Vidya gave the said amount as loan, what would be the amount to be clubbed?

OR

Q.2] Mr. Sameer submits the following information for the A Y 2017-18

(15 Marks)

Particulars	Rs
Salary income taxable	48,000
House property income:	
House 1 Income	37,000
House 2 loss	(27,000)
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Brought forwarded loss of textile Business – A Y 2014-15	(80,000)
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Income from chemical business	40,000
Leather Business	62,000
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**Determine the gross total income of Mr. Sameer for the assessment year 2017-18 and also compute the amount of loss that can be carried forward to the subsequent years.**

Q.3]

(15 Marks)

Compute the taxable income of Mr. Dipak for the Assessment year 2017-18:

Particulars	Rs
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Share of Profit from a Partnership Concern	5,22,000
Short term capital Gain on Land	24,000
Short-term Capital Gain on House Property	1,20,000
Share of income from HUF in which he is a Member	2,82,000
Winning from Horse Race	10,000
Interest on Bank Deposits:	
- Deposit in his own name	4,000
- In the name of minor son	1,300
Amount for medical Treatment	49,000
Amount paid to ICICI Pension plan	12,000

OR

Q.3]

(15 Marks)

The broad break-up of tax and allied details of Mrs. Gauri, born on 31<sup>st</sup> March 1953 are as under:

Long term capital gains on sale of house	2,00,000
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Business income	2,20,000
Net agricultural income	40,000
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Q.4]

(15 Marks)

Profit and Loss Account of ABC and Company, a partnership firm, for the year ending on 31<sup>st</sup> March 2017 is as follows.

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Cost of Goods Sold	18,00,000	Sales	26,00,000
Municipal Taxes of House Property	30,000	Gross Rent of House Property (let out throughout the year)	1,20,000
Sundry Expenses	42,100		
Other Expenses	1,35,000		
Interest on Partners Capital@ 10% p.a.	1,20,000		
Remuneration to Partners	45,500		
Depreciation	3,67,400		
<b>Net Profit</b>	<b>27,20,000</b>		<b>27,20,000</b>

Other information

- Other expenses of Rs. 12,000 is not deductible under section 36 and 37 of Income Tax Act.
- Depreciation as per Section 32 is Rs. 31,500
- All the conditions of section 40 (b) are satisfied

Calculate the Taxable Income and Income Tax Liability of the firm for the Assessment Year 2017-18.

**OR**

Q.4](A)

(8 Marks)

Compute the amount of tax to be deducted at source in the following cases:

- Radhika Ltd. takes a building on rent and sublets it is A Ltd-A Ltd pays Rs. 8,00,000 as rent.
- Radhika Ltd. takes a building on rent from Sagar (rent being Rs. 16,000 pm)
- Tata Ltd. takes a commercial building on rent (rent being Rs. 4,00,000). Rent is payable in December to three co-owners as follows:

Recipient 'P' : Rs. 1,90,000

Recipient 'Q' : Rs. 2,00,000

Recipient 'R' : Rs. 10,000

Q.4](B)

(8 Marks)

Determine on which of the following payments tax is to be deducted at source for the Assessment year 2017-18.

No	Payee	Payee	Nature of Payment	Rs
i)	Mr.Sagar and Co. (a partnership firm)	Mr.Sagar (a partner)	Interest on capital	15,000
ii)	Indian Post office	Mr. Dipesh (age 69 years)	Interest on Senior Citizen Savings scheme Account	18,000
iii)	Satara Sahakari Bank Ltd	Mr. Ashwin	Interest on Fixed Deposit	21,000
iv)	Motor Accident Claim Tribunal	Mrs. Puja	Interest on Compensation of Rs. 1,00,000	9,000
v)	Income Tax Department	Mr. Mayank	Interest on Income Tax Refund	6,000

Q.5] A) What are the provisions for set-off and carry forward of losses under the head "Capital Gains"?

(8 Marks)

B) Explain the limits for remuneration to partners u/s 40(b).

(7 Marks)

OR

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

(15 Marks)

- Clubbing of Income of Minor
- Fees for professional services u/s 194 J
- TDS from rent u/s 194 I
- Bilateral Relief
- Tax liability of firm

\*\*\*\*\*

Time: 2 ½ Hours

Marks: 75

N.B. 1) All questions are **Compulsory**.

2) Figures to the right indicate full marks.

**Q1. (A) Select the appropriate answer and rewrite the following statement: (Any 8) (08)**

1. The National Poverty Line currently used by planning commission is based on \_\_\_\_\_  
(Lakdawala methodology/ Tendulkar Committee methodology/ World Bank)
2. \_\_\_\_\_ is not the adverse effect of urbanization.  
(Convenience/ congestion/ overcrowding)
3. \_\_\_\_\_ is the measure taken by government to assist the small scale industries.  
(Reduction in CRR/ Open market operations/ Financial assistance)
4. Industrial development in India since 1956 was based on \_\_\_\_\_  
(Mahalanobis model/ wage goods model/ consumer goods model)
5. Foreign capital helps us to \_\_\_\_\_  
( Provision of foreign exchange/ promotes economic development/ both)
6. India's trade with ASEAN ranks at \_\_\_\_\_  
(5<sup>th</sup>/ 7<sup>th</sup>/ 4<sup>th</sup>)
7. Monetary policy in India is less effective because of \_\_\_\_\_  
(Widespread barter transaction/ unorganized money market/ unorganized capital market)
8. In 2015, RBI has granted the license to open \_\_\_\_\_  
(11 payment banks/ 11 foreign banks/ 11 urban banks)  
(12)
9. Kisan credit card was introduced by \_\_\_\_\_  
(RBI/ NABARD/ co-operative banks)
10. \_\_\_\_\_ is not the role of SEBI.  
(Regulatory role/ treasury bills/ market surveillance)

**Q1. (B) State whether the following statements are 'True' or 'False': (Any7) (07)**

1. Farmers sell their produce at favorable terms.
2. Urbanization is a part of development process.
3. The MRTP Act is replaced by Competition Act.
4. The public sector enterprise has contributed to the export earnings.
5. Largest contribution comes to GDP from service sector.
6. Medical tourism is fastest growing segment in India.
7. ASEAN was established in 1968.
8. Commercial bill market is developed market in India.
9. CRR and SLR are the qualitative methods of credit control.
10. Primary market deals with security already issued.

**Q.2 (A)** Examine demographic profile of India's population. (08)

**(B)** Highlight the measures introduced by government to improve agricultural marketing in India. (07)

**OR**

**Q.2 (C)** Explain the limitations of poverty alleviation programmes of government. (08)

**(D)** Examine the objectives of land reforms. (07)

**Q.3 (A)** Analyze the changes in industrial policy after 1991. (08)

**(B)** State and explain the performance of public sector enterprise in India. (07)

**OR**

**Q.3 (C)** Examine the major problems faced by small-scale industries. (08)

**(D)** Explain in detail the disinvestment policy in India. (07)

**Q.4 (A)** Explain the impact of WTO on Indian economy. (08)

**(B)** Highlight the important trends in tourism industry in India. (07)

**OR**

**Q.4 (C)** Explain the causes of changes in composition and direction of India's trade. (08)

**(D)** Examine the positive and negative impact of foreign direct investment to host country. (07)

**Q.5 (A)** Define money market and explain the features of Indian money market. (08)

**(B)** Discuss capital market reforms introduced in India. (07)

**OR**

**Q.5 Write short notes on: (any 3) (15)**

- i) Causes of income inequality
- ii) Industrial licensing
- iii) Structure of Balance of Payment (BOP)
- iv) Objectives of SAARC
- v) Open market operations



Duration: 2 ½ Hours

Marks: 75

Note: 1. All questions are compulsory.

2. Figures to right indicate full marks.

Q1. (A) Select the appropriate answer and rewrite the following statement: (Any 8) (08)

1. A lower Gini index implies \_\_\_\_\_.  
a) More equal distribution of income b) Unequal distribution of income c) Higher inequality
2. \_\_\_\_\_ was categorized as tenants.  
a) Occupancy tenants b) Sub tenants c) a and b both
3. \_\_\_\_\_ is not the part of classification of industries on the basis of ownership.  
a) Micro enterprise b) Capital goods industries c) Small enterprises
4. Government policy on disinvestment was introduced in \_\_\_\_\_.  
a) 1995 b) 1991 c) 1980
5. In 2016-17 India's foreign exchange reserves was \_\_\_\_\_.  
a) Surplus b) Deficit c) Balance
6. SAARC was formed in the year \_\_\_\_\_.  
a) 1987 b) 1985 c) 1982
7. Monetary policy in India is decided by \_\_\_\_\_.  
a) RBI Governor b) Finance Minister c) Monetary Policy Committee
8. In 1969, \_\_\_\_\_ major commercial banks were nationalized.  
a) 14 b) 15 c) 18
9. Secondary market does not include \_\_\_\_\_.  
a) Screen based trading b) Liquidity adjustment facility c) Rolling system
10. \_\_\_\_\_ is the role of RBI.  
a) Price stability b) Investors' education c) Treasury bills

Q1. (B) State whether the following statements are 'True' or 'False': (Any 7) (07)

1. Slow implementation of land reform was due to lack of political will.
2. The overall economic development has created sufficient employment opportunities in the country.
3. Industrial growth picked up significantly during the 10<sup>th</sup> plan.
4. Small scale industries do not face any problems in India.
5. Service sector is the driver of economic growth in India.
6. FDI is not permitted in insurance sector in India.
7. GATT was transformed into WTO on 1<sup>st</sup> January 1995.
8. India's current imports mainly consist of capital goods.
9. A decrease in repo rate makes credit cheap.
10. Major portion of agricultural finance comes from traditional sources.

Q.2 (A) Explain the causes of income inequality. (08)

(B) Discuss the reasons for poor implementation of land reforms. (07)

OR

Q.2 (C) Analyse measures to increase employment opportunities in India. (08)

(D) What are the effects of urbanization? (07)

Q.3 (A) Highlight the role of public sector in India. (08)

(B) Analyze the pattern of industrialization in India. (07)

OR

Q.3 (C) Briefly explain the industrial policy of 1991. (08)

(D) Discuss the problems faced by small scale industries in India. (07)

Q.4 (A) Explain the nature and scope of service sector in India. (08)

(B) Highlight the important recent trends in health industry in India. (07)

OR

Q.4 (C) Explain the performance of SAARC. (08)

(D) Examine the positive and negative impact of MNC. (07)

Q.5 (A) State and explain the quantitative instruments of credit control. (08)

(B) Analyze the role of SEBI in India. (07)

OR

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

- i) National Agricultural Policy 2000
- ii) Disinvestment policy in India
- iii) Structure of capital market
- iv) Types of FDI
- v) Limitations of monetary policy in India