



SRI BHAGAWAN MAHAVEER JAIN EVENING COLLEGE

Affiliated to Bengaluru Central University,
V V Puram, Bangalore – 560 004

V SEM B.COM

MOCK QUESTION PAPER - 2019



SRI BHAGAWAN MAHAVEER JAIN EVENING COLLEGE

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V SEM B.COM Mock question paper 2019

Subject: Advanced Accounting

Max Marks: 70

SECTION - A

Answer any Five Sub questions. Each Sub-question carries 2 marks

02x05=10 Marks

a.	Define statutory reserve.	02 Marks
b.	Give the meaning of reversionary bonus.	02 Marks
c.	Give the meaning of gearing.	02 Marks
d.	State the two approaches to price level accounting.	02 Marks
e.	What do you mean by reserve for unexpired risk.	02 Marks
f.	Mention any four items of benefits paid by life insurance company	02 Marks
g.	Define investment accounting.	02 Marks

SECTION - B

Answer any Three Questions. Each question carries 6 marks

03x6=18 Marks

2.	Write short notes on: I. Classification of farm activities ii. Non-performing assets	6 Marks																														
3.	From the following particulars, prepare P&L account of Narayan bank Ltd for 2018-2019 <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Interest on loan</td> <td>69800</td> </tr> <tr> <td>Interest on fixed deposits</td> <td>73000</td> </tr> <tr> <td>Rebate on bills discounted</td> <td>9600</td> </tr> <tr> <td>Commission charged</td> <td>1820</td> </tr> <tr> <td>Office expenses</td> <td>31000</td> </tr> <tr> <td>Discount on bills discounted</td> <td>38800</td> </tr> <tr> <td>Interest on cash credit</td> <td>44800</td> </tr> <tr> <td>Balance of P &L account</td> <td>2400</td> </tr> <tr> <td>Rent and taxes</td> <td>3600</td> </tr> <tr> <td>Interest on overdraft</td> <td>25600</td> </tr> <tr> <td>Directors remuneration</td> <td>840</td> </tr> <tr> <td>Interest on saving bank accounts</td> <td>13800</td> </tr> <tr> <td>Postal Expenses</td> <td>300</td> </tr> <tr> <td>Printing and stationary</td> <td>780</td> </tr> <tr> <td>Other Expenses</td> <td>360</td> </tr> </table>	Interest on loan	69800	Interest on fixed deposits	73000	Rebate on bills discounted	9600	Commission charged	1820	Office expenses	31000	Discount on bills discounted	38800	Interest on cash credit	44800	Balance of P &L account	2400	Rent and taxes	3600	Interest on overdraft	25600	Directors remuneration	840	Interest on saving bank accounts	13800	Postal Expenses	300	Printing and stationary	780	Other Expenses	360	6 Marks
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4.	From the following calculate net premium earned for the year ended 31/3/2019 of fire insurance business: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particular</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Premium on direct business</td> <td>250000</td> </tr> <tr> <td>Premium on reinsurance accepted</td> <td>100000</td> </tr> <tr> <td>Premium on reinsurance ceded</td> <td>50000</td> </tr> <tr> <td>Premium due</td> <td></td> </tr> <tr> <td>At the beginning of the year</td> <td>10000</td> </tr> <tr> <td>At the end of the year</td> <td>15000</td> </tr> <tr> <td>Reserve for unexpired risk on 1/4/2018</td> <td>50000</td> </tr> <tr> <td>Reserve for unexpired risk to be maintained at 50% of net premium</td> <td></td> </tr> </tbody> </table>	Particular	₹	Premium on direct business	250000	Premium on reinsurance accepted	100000	Premium on reinsurance ceded	50000	Premium due		At the beginning of the year	10000	At the end of the year	15000	Reserve for unexpired risk on 1/4/2018	50000	Reserve for unexpired risk to be maintained at 50% of net premium		6Marks												
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5.	From the following information, prepare a Crop account for the year ending 31-3-2018 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Opening stock:</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Wheat</td> <td>40000</td> </tr> <tr> <td>Seeds</td> <td>8000</td> </tr> <tr> <td>Fertilizer</td> <td>12000</td> </tr> </tbody> </table>	Opening stock:	Amount (₹)	Wheat	40000	Seeds	8000	Fertilizer	12000	6Marks																						
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Purchases:	
Seeds	4800
Fertilizer	7200
Wages:	
Paid in cash	54400
Paid in kind by giving wheat	36800
Sale of wheat	283200
Wheat consumed by owner	12800
Depreciation on farm	16000
Closing stock:	
Wheat	32000
Seeds	5600
Fertilizer	6400

6.	Calculate MWCA from the following data:			6Marks
	Particulars	1/4/2018(₹)	31/3/2019(₹)	
	Account receivable	65000	80000	
	Accounts payable	25000	20000	
	Advances to suppliers	20000	25000	
Cash	5000	10000		
OI - 100, CI - 140, AI - 120				

SECTION - C

Answer any three Questions. Each question carries 14 marks

03x14=42Marks

7.	Following is the trial balance of Karnataka bank ltd as on 31/3/2018			14 Marks
	Particular	Debit(₹)	Credit (₹)	
	Interest and discount		260000	
	Share capital		600000	
	Reserve fund		300000	
	Deposits		800000	
	Telegraphic transfer		200000	
	Traveler's letter of credit		300000	
	Gift cheque		60000	
	Pension fund		100000	
	Borrowing from bank		75000	
	Unclaimed dividend		25000	
	Rent		20000	
	Commission		50000	
	P & I account on 1/4/2013		40000	
	BP		10000	
	Building	250000		
	Money at call short notice	275000		
	Furniture	40000		
	Cash in hand	275000		
	Cash at bank	325000		
	Investments	175000		
	Loan, cash credit and overdraft	1140000		
	Interest on deposit	175000		
	Audit fees	10000		
	Salaries	50000		
	Directors fees	5000		
	Printing and stationary	5000		
Depreciation	7500			
Non-banking asset	100000			
Other expenditure	7500			
	2,84,000	2,84,000		
Adjustment				
1. Provide ₹ 5000 for rebate on bill discounted.				
2. Bills for collection amounted to ₹ 10500				
3. Provide ₹ 1250 for bad debts.				

4. Provide ₹ 2500 for IT.
5. Liabilities on bills rediscounted ₹ 7500
6. Liabilities outstanding on forward exchange contract ₹3000.
7. Directors propose 5% dividend on share capital.

The following trial balance was extracted from the Indian life assurance co ltd as on 31/3/2018

Particular	Debit(₹)	Credit(₹)
Share capital(shares of Rs. 10each)		160000
Life assurance fund on 1/4/2017		2972300
Dividend paid	15000	
Bonus to policy holders	31500	
Premium		101500
Claims paid	197000	
Commission paid	9300	
Management exp	32300	
Mortgage in India	492200	
Interest and dividend		112700
Agents balances	9300	
Freehold premises	40000	
Investments	2305000	
Loan on company's policies	173600	
Cash on deposit	27000	
Cash in hand and on current a/c	7300	
Surrenders	7000	
	3346500	3346500

You are required to prepare companies revenue account for the year ended 31-3-2017 and its balance Sheet as on that after taking the following matters into consideration:

- a) Claims admitted but not paid 10300
- b) Management expenses due 1200
- c) Interest accrued 18300
- d) Premium outstanding 14000

14 Marks

Following balances are extracted from the books of united insurance company ltd as on 31/3/2019.

Particulars	fire	marine
Claims paid	100000	87000
Premium	374000	297000
Commission on reinsurance ceded	13000	
Commission	62000	51000
Expenses of management	86000	68000
Reserve for unexpired risk 1/4/2018	210000	240000
Additional reserve 1/4/2018	60000	10000
Claims outstanding 1/4/2018	24000	11000
Premium outstanding	26000	17000
Depreciation on asset	36000	
Loss on realization of investments	8000	
Audit fees	13000	
Directors remuneration	36000	
Interest and dividend	63000	

Following further information is also given:

1. Premium outstanding on 31/3/2019
 - Fire 33000
 - Marine 15000
2. Claims outstanding on 31/3/2019
 - Fire 46000
 - Marine 17000

14Marks

	<p>3. Out of the above, a fire claims amounting to Rs. 11000 was recovered by reinsurance.</p> <p>4. Reserve for unexpired risk is to be maintained at 50% of fire and 100% for marine on net premium.</p> <p>5. Additional reserve for fire to be maintained at 20% net premium.</p> <p>6. Interest accrued on investments Rs. 13000</p> <p>Prepare revenue account, profit and loss account for the year ended 31/3/2019.</p>																																																																	
10.	<p>From the following information, you are required to prepare crops and livestock account and the profit and loss account for the year ended 31/3/2018.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">amount</th> </tr> </thead> <tbody> <tr> <td colspan="2">Opening stock:</td> </tr> <tr> <td>Crops and fertilizers</td> <td style="text-align: right;">90000</td> </tr> <tr> <td>Cattle</td> <td style="text-align: right;">60000</td> </tr> <tr> <td>Sheep</td> <td style="text-align: right;">40000</td> </tr> <tr> <td colspan="2">Closing stock:</td> </tr> <tr> <td>Seeds</td> <td style="text-align: right;">5600</td> </tr> <tr> <td>Cattle</td> <td style="text-align: right;">110000</td> </tr> <tr> <td>Sheep</td> <td style="text-align: right;">65000</td> </tr> <tr> <td>Cattle feed</td> <td style="text-align: right;">17000</td> </tr> <tr> <td colspan="2">Purchases:</td> </tr> <tr> <td>Seeds and fertilizers</td> <td style="text-align: right;">20000</td> </tr> <tr> <td>Cattle</td> <td style="text-align: right;">90000</td> </tr> <tr> <td>Sheep</td> <td style="text-align: right;">20000</td> </tr> <tr> <td>Cattle feed</td> <td style="text-align: right;">22000</td> </tr> <tr> <td colspan="2">Expenses:</td> </tr> <tr> <td>Crop</td> <td style="text-align: right;">38000</td> </tr> <tr> <td>Livestock</td> <td style="text-align: right;">44000</td> </tr> <tr> <td>Maintenance of machinery</td> <td style="text-align: right;">28000</td> </tr> <tr> <td>Mortgage interest</td> <td style="text-align: right;">24000</td> </tr> <tr> <td>Bank interest</td> <td style="text-align: right;">8000</td> </tr> <tr> <td>Farm machinery</td> <td style="text-align: right;">200000</td> </tr> <tr> <td>Staff salary</td> <td style="text-align: right;">72000</td> </tr> <tr> <td>Managers salary</td> <td style="text-align: right;">24000</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">16400</td> </tr> <tr> <td colspan="2">Sales:</td> </tr> <tr> <td>Cattle</td> <td style="text-align: right;">140000</td> </tr> <tr> <td>Sheep</td> <td style="text-align: right;">80000</td> </tr> <tr> <td>Milk</td> <td style="text-align: right;">100000</td> </tr> <tr> <td>Paddy</td> <td style="text-align: right;">340000</td> </tr> <tr> <td>Fruits</td> <td style="text-align: right;">36000</td> </tr> <tr> <td>Vegetables</td> <td style="text-align: right;">24000</td> </tr> </tbody> </table> <p>Additional information</p> <p>1. Crops worth Rs. 7000 were consumed by the live stock.</p> <p>2. Depreciation at 10% p.a. on farm machinery is to be provided.</p>	Particulars	amount	Opening stock:		Crops and fertilizers	90000	Cattle	60000	Sheep	40000	Closing stock:		Seeds	5600	Cattle	110000	Sheep	65000	Cattle feed	17000	Purchases:		Seeds and fertilizers	20000	Cattle	90000	Sheep	20000	Cattle feed	22000	Expenses:		Crop	38000	Livestock	44000	Maintenance of machinery	28000	Mortgage interest	24000	Bank interest	8000	Farm machinery	200000	Staff salary	72000	Managers salary	24000	Rent	16400	Sales:		Cattle	140000	Sheep	80000	Milk	100000	Paddy	340000	Fruits	36000	Vegetables	24000	14Marks
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11.	<p>Mr. Inventor furnishes the following details relating to his holdings in 6% government bonds.</p> <p>i) Opening balance normal Rs. 60000 cost Rs. 59000</p> <p>ii) 1/3/2018 100 units purchased ex-interest @ Rs. 98</p> <p>iii) 1/7/2018 sold 200 ex-interests out of the original holdings at Rs. 100</p> <p>iv) 1/10/2018 purchased 50 units @ Rs. 98 cum-interest</p> <p>v) 1/11/2018 sold 200 units ex-interest @ Rs. 99 out of original holdings</p> <p>interest dates are 30th September and 31st march. Mr. Investor close his books on 31st December every year. Show investment account in columnar form as it would appear in his books.</p>	14Marks																																																																



Subject: INTERNATIONAL FINANCIAL REPORTING STANDARDS

SECTION – A		
Answer any five Sub questions. Each Sub-question carries 2 marks		02x05=10 Marks
a.	Mention two objectives of IFRS	02 Marks
b.	What do you mean by accounting standards?	02 Marks
c.	What are non-current assets? Give two examples	02 Marks
d.	What do you mean by Accounting Standards?	02 Marks
e.	What is Investment property accordance to Ind AS 40	02 Marks
f.	What do you mean by related party disclosure	02 Marks
g.	What is event after the reporting period as per Ind AS – 10?	02 Marks
SECTION – B		
Answer any two Questions. Each question carries 6 marks		02x6=12 Marks
2.	Zltd Obtained a loan of ₹ 60,00,000 on 1 st April 2016 from Vijaya bank to be capitalized as under: Construction of company building ₹ 20,00,000 Purchase of Plant and Machinery ₹ 15,00,000 Working capital required Rs10,00,000 Purchase of vehicle ₹ 15, 00,000 In March 2017, construction of company building was completed and plant and machinery was ready for its intended use. Total interest charged by Vijaya Bank for the financial year ending 31 st march 2017 was 7,20,000. How do you treat the total interest charged on loan?	6 Marks
3.	List out any NINE international accounting standards issued by IASB.	6 Marks
4	Mahesh ltd ordered a laptop in Amazon. The price of laptop is ₹ 40,000 allowed 10% discount at time of purchase and charged 18% GST which is not refundable. Shipping charges ₹ 500, software installation charges RS 3000 and annual service charges Rs3000. Calculate the initial cost of laptop and give reasons as per IND AS 16.	6 Marks
5.	Mention the list of close members of the family as per Ind AS – 24.	
6.	Ram ltd acquires 70% of the equity shares of meena ltd on 1 st January 2012. On that date paid up capital of meena ltd. was 10,000 equity shares of 10 each; accumulated reserve balance was ₹100,000. Ram ltd paid ₹1,60,000 to acquires 70% interest in the meena ltd Assets of Meena ascertained. Calculate the value of good will.	
SECTION – C		
Answer any two Questions. Each question carries 14 marks		02x14=28 Marks
7	What is IFRS? Explain briefly the merits and demerits of IFRS	14 Marks
8	Write a brief note on recognition and measurement of a) Borrowing Cost b) Intangible Asset c) inventories d) impairment Assets	14 Marks
9	a) NAGENDRA traders purchased a plant from NIKHIL ltd 30-9-2015 with a quoted price of ₹ 200 lakhs. NIKHIL ltd. offer 3 months credit with a condition that discount of 1.5% will be allowed if the payment were made within one month. VAT is 14% on the quoted price. Company incurred 2% on transportation cost and 3% on erection cost of the quoted price. Pre-operative cost amounted to ₹ 2lakhs. Estimated life of the plant is 8years. Residual value of the plant 20 lakhs. Calculate the original cost of the plant and carrying amount of the plant on 31-3-2016 b) Describe the relevance and challenges in the implementation of convergence of indian	14Marks

	accounting standards with IFRS																																						
10	<p>a) X limited 4 years, fair value at inception of lease ₹20,00,000 lease rent ₹6,25,000 p.a. at the end of year, guaranteed residual value ₹1.25,000, expected residual value ₹3,75,000, implicit interest rate 15%. Calculate the value of the lease liability. Discount rate at 15%</p> <p>Year : 1 2 3 4</p> <p>Present value 0.8696 0.7561 0.6575 0.5718</p> <p>b) briefly explain the disclosures of EPS Ind AS 33</p>		14Marks																																				
11.	<p>a) ABC Ltd constructing power generation plant. This project requires totally 12 crores which are raised as follows.</p> <p>₹4 crores from IFCI from HDFC for 6 years @ 11% interest rate</p> <p>₹2 crores of loan from HDFC bank for 6 years @ 10% interest rate.</p> <p>₹2 crores of loan from SBI bank for 4 years @ 12% interest rate.</p> <p>₹3 crores from 10% debentures for 5 years @ 5% discount</p> <p>₹1 crore as overdraft from corporation bank @ 4% interest rate.</p> <p>Calculate total borrowing cost accordance with IND AS 23</p> <p>b) from the following trial prepare balance of Mtd as on 31st march 2018 prepare SOFP as per ind AS 1 schedule III companies act of 2013</p> <p style="text-align: center;">TRIAL BALANCE</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Debit</th> <th style="width: 15%;">₹</th> <th style="width: 35%;">Credit</th> <th style="width: 15%;">₹</th> </tr> </thead> <tbody> <tr> <td>Plant property equipment</td> <td style="text-align: right;">8,00,000</td> <td>Equity share capital</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Intangible assets</td> <td style="text-align: right;">3,00,000</td> <td>Capital</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Current investments</td> <td style="text-align: right;">1,00,000</td> <td>redemption Reserve</td> <td></td> </tr> <tr> <td>Other non-current assets</td> <td style="text-align: right;">2,00,000</td> <td>Non current liabilities</td> <td style="text-align: right;">8,00,000</td> </tr> <tr> <td>Inventories</td> <td style="text-align: right;">90,000</td> <td>Profit and loss a/c</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">1,00,000</td> <td>Current liabilities</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">4,00,000</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">19,90,000</td> <td>TOTAL</td> <td style="text-align: right;">19,90,000</td> </tr> </tbody> </table>	Debit	₹	Credit	₹	Plant property equipment	8,00,000	Equity share capital	5,00,000	Intangible assets	3,00,000	Capital	50,000	Current investments	1,00,000	redemption Reserve		Other non-current assets	2,00,000	Non current liabilities	8,00,000	Inventories	90,000	Profit and loss a/c	40,000	Trade receivables	1,00,000	Current liabilities	6,00,000	Cash and cash equivalents	4,00,000			TOTAL	19,90,000	TOTAL	19,90,000		
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ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

MAX MARKS: 70

Section A

Answer any Seven from the following Questions

2X7=14

- a. What is Entrepreneurship?
- b. What is a business Plan
- c. What is Tiny Enterprise?
- d. State any four characteristics of Partnership firm.
- e. Expand SIDBI, SIDO
- f. Name any four Financial Institution supporting SSI.
- g. What is Business Opportunity?
- h. Who is an Intrapreneur?

Section B

Answer any Four from the following Questions

4X6=24

2. Explain the various qualities of successful Entrepreneur.
3. What is Feasibility Report? Explain the various types of Feasibility Report.
4. Explain the various components of Business Plan.
5. Discuss the advantages of SSI.
6. Write a note on Industrial sickness.

Section C

Answer any Two from the Following Questions.

2X16=32

6. Explain the various types of Entrepreneurs with related examples.
7. Explain the various causes for Industrial sickness. Bring out the various measures to overcome Industrial sickness.
8. Explain the role of Small Scale Industries in development of Indian Economy.

Subject: International Financial Management

SECTION - A

Answer any five Sub questions. Each Sub-question carries 2 marks

02x05=10 Marks

1.	State any two financial objectives of an organization?	02 Marks
2.	What is inventory Turnover ratio? Give formula	02 Marks
3.	State any two functions of financial market?	02 Marks
4.	Name various kinds of working capital	02 Marks
5.	What is capital rationing?	02 Marks
6.	Expand CAPM	02 Marks
7.	What are the methods of business valuation?	02 Marks

SECTION - B

Answer any two Questions. Each question carries 6 marks

03x6=18 Marks

8.	Bring out the nature and types of risk	6 Marks																		
9.	Bring out the advantages and disadvantages of capital rationing?	6 Marks																		
10.	<p>Alpha company limited is considering purchase of a new machine. Two alternative machine A&B have been suggested, each having an initial cost of 4,00,000 requiring 20,000 as additional working capital at the end of 1st year. Earning after taxation is expected to be as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Machine A</th> <th>Machine B</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>40,000</td> <td>1,20,000</td> </tr> <tr> <td>2</td> <td>1,20,000</td> <td>1,60,000</td> </tr> <tr> <td>3</td> <td>1,60,000</td> <td>2,00,000</td> </tr> <tr> <td>4</td> <td>2,40,000</td> <td>1,20,000</td> </tr> <tr> <td>5</td> <td>1,60,000</td> <td>80,000</td> </tr> </tbody> </table> <p style="text-align: center;">Cash inflows</p> <p>The cost of capital is 10% compute NVP, Profitability Index.</p>	Year	Machine A	Machine B	1	40,000	1,20,000	2	1,20,000	1,60,000	3	1,60,000	2,00,000	4	2,40,000	1,20,000	5	1,60,000	80,000	6 Marks
Year	Machine A	Machine B																		
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3	1,60,000	2,00,000																		
4	2,40,000	1,20,000																		
5	1,60,000	80,000																		
11.	ABC Ltd is expecting an annual EBIT of 3,00,000 the company has 5,50,000 in 8% debenture the equity capitalization rate or cost of equity is 12%.you are required to calculate the total value of the firm according to net income approach.																			
12.	What are financial markets? Bring out its features and functions?																			

SECTION - C

Answer any two Questions. Each question carries 14 marks

03x14=42Marks

13.	<p>From the following assess the working capital Requirements of AB limited.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Items</th> <th>Average period of credit</th> <th>Estimated (₹)</th> </tr> </thead> <tbody> <tr> <td>Purchase of materials</td> <td>6 weeks</td> <td>13,00,000</td> </tr> <tr> <td>Wages</td> <td>1.5 weeks</td> <td>9,75,000</td> </tr> <tr> <td>Overhead: Rent, Rates etc.</td> <td>6 months</td> <td>50,000</td> </tr> <tr> <td>Salaries</td> <td>1 months</td> <td>4,20,000</td> </tr> <tr> <td>Other Overheads</td> <td>2 months</td> <td>3,75,000</td> </tr> <tr> <td>Sales: Cash</td> <td>-</td> <td>1,00,000</td> </tr> <tr> <td>Credit</td> <td>2 months</td> <td>30,00,000</td> </tr> <tr> <td>Average amount of stock and WIP</td> <td></td> <td>2,00,000</td> </tr> <tr> <td>Average amount of undrawn profits</td> <td></td> <td>1,50,000</td> </tr> </tbody> </table>	Items	Average period of credit	Estimated (₹)	Purchase of materials	6 weeks	13,00,000	Wages	1.5 weeks	9,75,000	Overhead: Rent, Rates etc.	6 months	50,000	Salaries	1 months	4,20,000	Other Overheads	2 months	3,75,000	Sales: Cash	-	1,00,000	Credit	2 months	30,00,000	Average amount of stock and WIP		2,00,000	Average amount of undrawn profits		1,50,000	14 Marks				
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14.	Explain various factors determining working capital requirement	14Marks																																		
15.	<p>Elvis Ltd is considering accepting one of two mutually exclusive projects M&N the cash flow and probabilities are at estimated as under.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Years</th> <th colspan="2">Cash flow</th> <th colspan="2">Probabilities</th> </tr> <tr> <th>M</th> <th>N</th> <th>Prob-M</th> <th>Prob-N</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1000</td> <td>2000</td> <td>0.4</td> <td>0.2</td> </tr> <tr> <td>2</td> <td>2000</td> <td>2500</td> <td>0.3</td> <td>0.1</td> </tr> <tr> <td>3</td> <td>3000</td> <td>3000</td> <td>0.1</td> <td>0.4</td> </tr> <tr> <td>4</td> <td>4000</td> <td>3500</td> <td>0.1</td> <td>0.2</td> </tr> <tr> <td>5</td> <td>5000</td> <td>4000</td> <td>0.1</td> <td>0.1</td> </tr> </tbody> </table>	Years	Cash flow		Probabilities		M	N	Prob-M	Prob-N	1	1000	2000	0.4	0.2	2	2000	2500	0.3	0.1	3	3000	3000	0.1	0.4	4	4000	3500	0.1	0.2	5	5000	4000	0.1	0.1	14 Marks
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3	3000	3000	0.1	0.4																																
4	4000	3500	0.1	0.2																																
5	5000	4000	0.1	0.1																																

16	Explain various methods of business valuation?	14 Marks																									
17.	<p>Prepare cash budget for 3months ended 31st December 2015 based on following information</p> <ul style="list-style-type: none"> ➤ Cash at bank on 1/10/2015- (₹)1,60,000 ➤ Salaries and wages estimated monthly (₹) 40,000 ➤ Interest payable-August , November(₹) 20,000 ➤ Credit sales are collected 50% is the month of sales and 50% in the following month ➤ Collections from December are subjected to 5% discount if received during the month of sales and 2.5% discount if received in the following month. ➤ Creditors are paid either on a prompt or 30 days basis, 10% of the creditors is estimated to be in the prompt category. <table border="1"> <thead> <tr> <th>Particulars</th> <th>September</th> <th>October</th> <th>November</th> <th>December</th> </tr> </thead> <tbody> <tr> <td>Cash sales</td> <td>-</td> <td>3,80,000</td> <td>4,04,000</td> <td>3,42,000</td> </tr> <tr> <td>Credit sales</td> <td>3,00,000</td> <td>2,60,000</td> <td>3,80,000</td> <td>3,40,000</td> </tr> <tr> <td>Purchases</td> <td>4,20,000</td> <td>4,40,000</td> <td>5,80,000</td> <td>4,60,000</td> </tr> <tr> <td>Other expenses</td> <td>-</td> <td>80,000</td> <td>84,000</td> <td>82,000</td> </tr> </tbody> </table>	Particulars	September	October	November	December	Cash sales	-	3,80,000	4,04,000	3,42,000	Credit sales	3,00,000	2,60,000	3,80,000	3,40,000	Purchases	4,20,000	4,40,000	5,80,000	4,60,000	Other expenses	-	80,000	84,000	82,000	14 Marks
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Goods & Service Tax**70Marks****SECTION - A****Answer any FIVE Questions Sub question. Each Sub-question carries 2 marks 02x05=10 Marks**

1.	Define Goods and Services Tax.	02 Marks
2.	What is GST Council?	02 Marks
3.	What is Dual GST Model?	02 Marks
4.	Define Capital Goods.	02 Marks
5.	State any two features of GST Portal.	02 Marks
6.	What is Reverse Charge?	02 Marks
7.	Expand GSP and GSTN	02 Marks

SECTION - B**(Answer any THREE Questions Sub question. Each Sub-question carries 6 marks) (03x6=18 Marks)**

8.	What are the Benefits of implementation of GST in India?	6 Marks
9.	Explain powers and functions of Goods and service Tax Suvidha Providers.	6 Marks
10.	Vivek ltd manufactures manufactured components within factory for own use. Cost of raw materials purchased for Rs.50, 000 to manufacture such components. Cost of overheads as per cost accounting standars is Rs.20, 000. Profit margin on inter-departmental transfer at 20%. These components are subject to GST at 12%. You are required to compute: a) Valuable of Taxable Supply b) GST Payable	6 Marks
11.	What is Supply? Briefly explain types of Supply?	6 Marks
12.	Narrate the steps for Registration under GST.	6 Marks

SECTION - C**Answer any THREE Questions Sub question. Each Sub-question carries 14 marks 03x14=42Marks**

13.	Explain the taxes subsumed under GST tax structure in India?	14 Marks
14.	Explain Powers and Functions GST Council?	14 Marks

15.	<p>a) Compute the value of taxable supply and GST Payable for the month of July,2018 from the following particulars.</p> <ul style="list-style-type: none"> • Cost of Inputs purchased from the local markets, Rs. 1,50,000. • Storage cost incurred Rs. 30,000 • Transportation cost Rs. 20,000 • Goods sold at a profit margin of margin of 25% on Cost. • Applicable GST rate is 18% on sales. <p>b) Determine the time of supply of goods in each of following independent cases in accordance with provisions of section 12 of the GST Act 2018 in case of Supply involves movement of goods.</p> <table border="1" data-bbox="161 416 1305 571"> <thead> <tr> <th>Sl. No.</th> <th>Date of Removal</th> <th>Date of Invoice</th> <th>Date of Receipts</th> <th>Date of Payment</th> </tr> </thead> <tbody> <tr> <td>01.</td> <td>01-07-2018</td> <td>02-07-2018</td> <td>03-07-2018</td> <td>15-05-2018</td> </tr> <tr> <td>02.</td> <td>03-07-2018</td> <td>01-07-2018</td> <td>04-07-2018</td> <td>25-08-2018</td> </tr> <tr> <td>03.</td> <td>04-08-2018</td> <td>04-08-2018</td> <td>06-08-2018</td> <td>01-07-2018</td> </tr> </tbody> </table>	Sl. No.	Date of Removal	Date of Invoice	Date of Receipts	Date of Payment	01.	01-07-2018	02-07-2018	03-07-2018	15-05-2018	02.	03-07-2018	01-07-2018	04-07-2018	25-08-2018	03.	04-08-2018	04-08-2018	06-08-2018	01-07-2018	14 Marks
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16.	<p>Mr. Vimal is a dealer , his sales during the second Quarter of 2017-2018 are:</p> <table border="1" data-bbox="233 611 1110 846"> <thead> <tr> <th>Date</th> <th>Invoice No.</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>15-07-2018</td> <td>101</td> <td>RS.40,000</td> </tr> <tr> <td>12-08-2018</td> <td>102</td> <td>RS.80,000</td> </tr> <tr> <td>05-09-2018</td> <td>103</td> <td>RS.60,000</td> </tr> <tr> <td>27-09-2018</td> <td>104</td> <td>RS.24,000</td> </tr> <tr> <td>27-09-2018</td> <td>105</td> <td>RS.38,000</td> </tr> </tbody> </table> <p>Other information :</p> <p>a) Goods worth Rs.7,000 against invoice No.104 were returned on 29-09-2018</p> <p>b) Goods worth Rs.10,000 sold on 26-06-2017 were returned on 30-07-2018</p> <p>c) Goods worth Rs.6,500 sold on 27-02-2017 were returned on 30-08-2018</p> <p>All the above sales made in the course of interstate trade. Calculate the Turnover and GST payable if the rate of tax</p>	Date	Invoice No.	Rs.	15-07-2018	101	RS.40,000	12-08-2018	102	RS.80,000	05-09-2018	103	RS.60,000	27-09-2018	104	RS.24,000	27-09-2018	105	RS.38,000	14 Marks		
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Income Tax-II

Section – A

I. Answer any five of the following each carries Two marks

5 x 2=10

- a. Define Business
- b. What is Capital Gains?
- c. What do you mean by “Profession”?
- d. What do you mean by “expressly admissible expenses”?
- e. How do you determine the “cost of acquisition” if the asset is acquired by gift?
- f. What is direct tax?
- g. What do you mean by assessee in default?
- h. What is best Judgment assessment?

Section - B

II. Answer any three of the following each carries eight marks

3x 6=18

1. Mr. Krishan Went to US for higher studies on August 5, 2017 and came back to India on February 25, 2018. He had never been out of India before. What is his residential status for the Assessment year 2019-20.
2. Discuss with reasons, the admissibility of the following expenses while computing profits and gains of business.
 - a) Income tax paid Rs. 30,000/-
 - b) Outstanding sales tax pf previous years paid during the year Rs. 20,000/-
 - c) Interest paid on loan taken for daughter’s marriage Rs. 8,000/-
 - d) Loss due to Robbery Rs. 50,000/-
 - e) Legal expenses Rs. 10,000/- to defend the assessee’s title to his assets.
3. State with reason, whether the following income is agricultural income or not
 - 1 Income from growing creepers
 - 2 Interest on loan given to a farmer
 - 3 Income from agricultural activity in Bhutan
 - 4 Income from conversion of sugarcane to jaggary
 - 5 Dividend from tea company engaged in agricultural operations
4. Explain the provisions relating to setoff and carry forward of losses
 - a. Loss from house property
 - b. Business losses
5. Explain the provisions in respect of:
 - a. Expenses on buying of Machinery for R&D
 - b. Donation towards social research
 - c. Cash payment to a supplier
 - d. Depreciation in respect of assets

Section - C

III. Answer any one of the following each carries sixteen marks

3x14=42

6. From the following income and expenditure account and additional information of Dr. Fix who maintains books of accounts under mercantile system of accounting, compute taxable income from profession for the assessment year 2019-2020

Expenditure	Rs.	Income	Rs.
Rent of clinic 18-19	1000.00	Consultation fees 18-19	6500.00

19-20	30000.00	19-20	95000.00
2020- 2021	12000.00	2020- 2021	10000.00
Electricity and water	2200.00	Visiting fees	65000.00
House hold expenses	15000.00	Loan from bank (for profession)	125000.00
Municipal taxes on house property	3000.00	Loan from bank (for personal)	50000.00
Purchase of motor car	120000.00	Gifts from patients	20000.00
Laptop purchased (on 1-11-2014)	30000.00	Remuneration for articles published in professional	8000.00
Income tax	12000.00	Gift from medical representatives	60000.00
Salary to compounder	24000.00	Operation theatre rent	15000.00
Purchase of books	6000.00	Rent from house property	12000.00
Expenses on IT proceedings	8000.00	Interest on post office NSC	2000.00
Life insurance premium	15000.00	Income from horse race	39000.00
Gift to wife	10000.00		
Interest on loan (profession)	10000.00		
Interest on loan (personal)	4000.00		
Loan installment paid (profession)	25000.00		
Donation to a notified temple	10000.00		
Car expenses	20000.00		
Purchase of surgical equipment	30000.00		
Purchase of medicines	35000.00		
Excess of income over expenditure	85300.00		
	507500.00		507500.00

Additional information

- 40% of car expenses are for personal use
- Depreciation on car and surgical equipment is at 15% and on laptop and books is at 60%
- Income tax includes Rs. 2,000 professional tax paid to state government
- Gifts from patients include Rs. 8,000 received on the occasion of marriage from friends
- Closing stock of medicines is Rs. 5,500 and opening stock was Rs. 30,000

7. Mr.L.Kumar of Bangalore submits the following information for the year ended 31-3-2019. He is also employed with a cinema company in M.Halli. Compute his gross total income according to income tax provision for the assessment year 2015-16

Trading and P&L a/c

	Rs.		Rs.
To Opening stock	60,000	By Sales	6,20,000
To purchases	3,90,000	By Closing stock	80,000
To freight	15,000		
To gross profit	2,35,000		
	7,00,000		7,00,000
To salaries and wages	14,800	By G/P b.d	2,35,000

To rent and taxes	3,800	By dividend on shares	2,000
To house hold expenses	2,400	By rent from building let out	4,800
To income tax	600		
To postage and telegram	400		
To donation	500		
To life insurance premium	1,800		
To audit fees	200		
To reserve for doubtful debts	680		
To bad debts	420		
To miscellaneous exp	600		
To depreciation	500		
To net profit	2,15,100		
	2,41,800		2,41,800

Additional information

- He has received salary of Rs. 12,000 from cinema company and he contributed Rs. 15% of his salary towards RPF
 - Purchase includes Rs.5000 advance to his suppliers in march 2018 against goods to be delivered in april 2019
 - Rent and taxes include Rs.1,800 being municipal tax paid for the building let-out
 - Donation is recognized as per 80G
 - Miscellaneous expenses include Rs.400 being the purchase of books for his employment
8. Depreciation permissible is Rs.400

From the following particulars of income of Mr. KK during the previous year 2017-2018.

Compute his taxable income for the AY 2019-20. if he is

1) Resident, 2) Not-ordinarily Resident and 3) Non-resident.

- Income from salary in Uganda Rs.2, 70,000
- Interest on bonds of the MM Ltd of India Rs.18, 000.
- Income from house property in Rajasthan Rs.56, 500.
- Dividend on shares of a Sony (P) ltd a foreign company Rs.19,500 received in India
- Income from agricultural land situated in Kodagu Rs.40, 000.
- Interest received India from a firm in Dubai, which is controlled from India Rs.11, 000.
- Payment from EPFO Rs.40,000
- The commission received in India for the services rendered in Malaysia Rs.11, 000
- Profit from business in Sidney a Town in Canada Rs. 42,000 (business controlled from Chennai) of which Rs.21, 000 was received in India.
- Profit of the business situated in Kuwait brought to India Rs.60, 000

9. Describe the following with reasons as to Capital and Revenue

- Sale of assets of a firm at the time of its conversion into the company for shares of equal value – part of the consideration is attributable to the sale of land.
- A railway passenger meets with an accident and is disabled. He receives compensation from the Indian Railways.

- k. A company made the annual payment for trucks bought under a hire purchase agreement extending over a period of years.
- l. Winnings received from lottery
- m. Retrenchment compensation received from Siemens company –India
- n. Pension received after retirement
- o. Insurance compensation received on the theft of a car
- p. Interest on Bank Deposits
- q. An employee of a business was going to the bank to deposit some money belonging to the business. On the way to the bank, he lost it.
- r. Mr. Jamu purchased a house property in 1978 for Rs. 80,000/-. The fair market value of this house was Rs. 1,40,000/- on 1st April 1981. In the year 1985 on 1st November he incurred Rs. 60,000 for improvement of the house and sold the property on 10th September 2014 for Rs. 75,00,000/- and purchased a house for Rs. 5,00,000 on 15th March 2015. Compute the capital gain chargeable to tax for the assessment year 2006-07. The cost inflation index are 1981-82 = 100, 1985-86 = 133, 2014-15 = 1024.