



# SRI BHAGAWAN MAHAVEER JAIN EVENING COLLEGE

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

**V Semester B.Com (CBCS) Commerce – PRACTICE Q.P. – OCTOBER 2018**

**Subject: Advanced Accounting**

**Duration: 03Hrs.**

**Max Marks: 70**

## Section A

### I. Answer any 5 of the following questions

1. What is Rebate on bill discounted?
2. Mention the types of insurance
3. What is farm accounting ?
4. What is insurance claim ceded?
5. What is cum-interest and ex-interest?
6. Give the meaning of inflation accounting .
7. What is reinsurance ?

## Section B

### II. Answer any 3 of the following questions

1 While preparing final accounts of Banking company under which schedule the following appear

- a. Shares
- b. Current account
- c. General reserve
- d. Transfer fees
- e. Commission
- f. Interest on deposits

2. From the figures given below find out the amount of premium to be included in revenue A/c

| Particulars  | Amount    |
|--|-----------|
| Premium received during the year                     | 11,33,000 |
| Outstanding premium on 1/4/2017                      | 87,000    |
| Outstanding premium on 31/3/2018                     | 1,09,000  |
| Premium received in advance on 1/4/2017              | 28,000    |
| Premium received in advance on 31/3/2018             | 22,000    |
| Bonus utilized in reduction of premium for 2017-2018 | 7,000     |
| re-insurance premium paid during the year 2017-2018  | 60,000    |

3. Mr Prasad purchased Rs 2,00,000 , 15% DEBENTURES of Reliance industries Ltd from Yogesh at Rs 103 on 1/8/2017 on which the stamp 2% taxes 1.5% brokerage 1% and legal charges Rs 50 was charged . date of interest 31/3/18 and 30/9/2018. Calculate cost of purchase of securities and pass journal entries.

4. Give the meaning of inflation accounting and state the limitation of inflation accounting?

5. From the following information given below prepare revenue account of M Life Insurance Ltd for the year ended 31<sup>st</sup> March 2017

| Particulars                                      | Amount   |
|--|----------|
| Life assurance fund as on 1/4/2017               | 7,50,000 |
| Premium  | 3,72,000 |
| Interest , dividend and rent                     | 2,26,000 |
| Consideration of annuities granted               | 12,500   |
| Fines for revival of lapsed policies             | 200      |
| Claims paid                                      | 42,500   |
| Bad debts  | 400      |
| Expenses of management                           | 35,000   |
| Commission                                       | 16,000   |
| Bonus in reduction of premium                    | 500      |
| Annuities  | 18,500   |
| Surrenders                                       | 25,500   |
| Surplus on revaluation of reversionary purchased | 1,500    |
| Income tax                                       | 32,000   |
| Bonus in cash                                    | 18,000   |

### Section C

#### III Answer any 3 of the following question

1. the following trial balance was extracted from the books of V Life assurance Co Ltd as on 31<sup>st</sup> march 2017

| Particulars                        | Debit (Rs) | Credit(Rs) |
|------------------------------------|------------|------------|
| Share capital                      |            | 1,60,000   |
| Life assurance fund as on 1/4/2016 |            | 29,72,300  |
| Dividends paid                     | 15,000     |            |
| Bonus to policy holders            | 31,500     |            |
| Premiums received                  |            | 1,01,500   |
| Claims paid                        | 1,97,000   |            |
| Commission paid                    | 9,300      |            |
| Management expenses                | 32,300     |            |
| Mortgage in India                  | 4,92,200   |            |
| Interest, Dividend and rent        |            | 1,12,700   |
| Agents balances                    | 9,300      |            |
| Freehold premises                  | 40,000     |            |
| Investments                        | 23,05,000  |            |
| Loan against company policies      | 1,73,600   |            |

|                                 |           |           |
|---------------------------------|-----------|-----------|
| Cash on deposit                 | 27,000    |           |
| Cash in hand and on current a/c | 7,300     |           |
| Surrenders                      | 7,000     |           |
|                                 | 33,46,500 | 33,46,500 |

You are required to prepare company's Revenue account for the year ended 31/3/2017 and its balance sheet as on that date taking the following into consideration

a. claims admitted but not paid Rs 9,300

b. management expenses due Rs 200

c. interest accrued Rs 19,300

d. premium outstanding Rs 12,000

2. from the following balances of star insurance company Ltd as on 31/3/2017 prepare

i) Fire revenue A/c

ii) Marine Revenue a/c

iii) Profit and loss A/c

| Particulars                       | Fire      | Marine    |
|-----------------------------------|-----------|-----------|
| Bad debts                         | 10,000    | 24,000    |
| Reserves (as on 1/4/2106)         | 5,00,000  | 16,40,000 |
| Claims paid and outstanding       | 3,80,000  | 7,60,000  |
| Commission paid                   | 1,80,000  | 2,16,000  |
| Additional Reserve as on 1/4/2016 | 1,00,000  |           |
| Premium less reinsurance          | 12,00,000 | 2,16,000  |
| Management expenses               | 2,90,000  | 8,00,000  |
| Commission on reinsurance ceded   | 60,000    | 1,20,000  |
| Auditors fees                     | 6,000     |           |
| Directors fees                    | 6,400     |           |
| Share transfer fees               | 1,600     |           |
| Bad debts recovered               | 2,400     |           |
| Depreciation                      | 70,000    |           |
| Interest and dividend received    | 28,000    |           |
| Difference in exchange (cr)       | 600       |           |
| Miscellaneous receipts            | 10,000    |           |
| Profit on sale of land            | 1,20,000  |           |

An additional reserve in case of Fire insurance is to be increased by 5% of net premium in addition to the usual reserve 50% for the fire and 100 % for Marine

3. Shri Rangam Bank Ltd requires you to prepare Profit & Loss and Balance sheet as on 31<sup>st</sup> March 2017 from the following details

| Particulars                        | Debit     | Credit    |
|------------------------------------|-----------|-----------|
| Share capital                      |           | 10,00,000 |
| Reserve fund                       |           | 5,00,000  |
| Loans , cash credit and overdraft  | 5,70,000  |           |
| Premises                           | 1,00,000  |           |
| Investment in govt securities      | 8,00,000  |           |
| Current deposits                   |           | 2,00,000  |
| Fixed deposits                     |           | 2,50,000  |
| Saving bank deposit                |           | 1,00,000  |
| Salary to staff                    | 56,000    |           |
| Directors feses                    | 3,600     |           |
| Rent , rates and taxes             | 4,600     |           |
| General expense                    | 54,800    |           |
| Profit and loss a/c as on 1/4/2016 |           | 32,000    |
| Interst dividend paid              |           | 2,56,000  |
| Stationary                         | 17,000    |           |
| Bills purchased and discounted     | 92,000    |           |
| Interim dividend paid              | 34,000    |           |
| Recurring deposits                 |           | 40,000    |
| Shares                             | 1,00,000  |           |
| Cash in hand and with RBI          | 3,86,000  |           |
| Money at call and short notice     | 1,60,000  |           |
|                                    | 23,78,000 | 23,78,000 |

Adjustments

i) endorsement made on behalf of customers totaled to Rs 1,15,000

ii) unexpired discount amounted to Rs 380

iii) interest accrued on investment Rs 8,000

4. from the following trial balance extracted from the books of Kiran a Farmer draw up his final account

#### Trial balance

| Debit balance   | Amount   | Credit balance | Amount |
|-----------------|----------|----------------|--------|
| Opening stock : |          | Sales :        |        |
| Live stock      | 2,50,000 | Livestock      | 60,000 |
| Grains          | 50,000   | Grains         | 80,000 |
| Vegetables      | 5,000    | Vegetables     | 30,000 |

|                         |          |                    |          |
|-------------------------|----------|--------------------|----------|
| Purchases :             |          | Dairy produce      | 15,000   |
| Livestock               | 30,000   | Sundry creditors   | 15,000   |
| Seeds and fertilizers   | 12,000   | Mortgage loan      | 2,80,000 |
| Cattle feeds            | 10,000   | Capital introduced | 4,00,000 |
| Sundry debtors          | 30,000   |                    |          |
| Wages                   | 8,000    |                    |          |
| Rates and insurance     | 4,000    |                    |          |
| Repairs and maintenance | 12,000   |                    |          |
| Drawings                | 9,000    |                    |          |
| Cash at bank            | 10,000   |                    |          |
| Farm machinery          | 1,50,000 |                    |          |
| Land and building       | 3,00,000 |                    |          |
|                         | 8,80,000 |                    | 8,80,000 |

#### Adjustments

- i) closing stock on 31/3/2018 livestock Rs 80,000, grains Rs 1,00,000, vegetables Rs 20,000 dairy produce Rs 20,000
- ii) depreciate farm machinery by 10%
- iii) vegetables worth Rs 2,000 were consumed by the proprietor
- iv) grains worth Rs 5,000 was given to the labourers as a part of their wages .

5. a) calculate rebate on bills discounted as on 31/3/2018

| Date of Bill | Amount<br>Rs | Period of Bill | Rate of discount |
|--------------|--------------|----------------|------------------|
| 1. 15/1/18   | 20,000       | 5 months       | 12%pa            |
| 2. 10/2/18   | 15,000       | 4 months       | 13%pa            |
| 3. 20/3/10   | 10,000       | 2 months       | 14%pa            |

b) Write a short note on

- a. reversionary bonus
- b. general insurance
- c. consideration for annuity granted
- d. annuity



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V Semester B.Com (CBCS) Commerce – MOCK PAPER –2018

**Subject: Costing methods**

**Duration: 1:30 Min**

**Time: 6:30 PM to 8:00 PM**

**Max Marks: 70**

**Note: 1. All sections are compulsory**

**2. Illustrate wherever necessary**

| <b>SECTION – A</b>   |  |            |
|--|--|------------|
| <b>(Answer any FIVE Questions Sub question. Each Sub-question carries 2 marks) (02x05= 10 Marks)</b> |  |            |
| 1.   | What is contract costing?  | (02 Marks) |
| 2.   | What do you mean by by-products?   | (02 Marks) |
| 3.   | What is abnormal process loss?   | (02 Marks) |
| 4.   | Mention four features of job costing.  | (02 Marks) |
| 5.   | Name any four industries in which Batch Costing is used.   | (02 Marks) |
| 6.   | What is Economic Batch Quantity?   | (02 Marks) |
| 7.   | Give the meaning of Notional profit.   | (02 Marks) |
| <b>SECTION – B</b>   |  |            |
| <b>(Answer any FIVE Questions Sub question. Each Sub-question carries 6 marks) (03x6= 18 Marks)</b>  |  |            |
| 8.   | The following expenditure is incurred in a process:<br><br>Materials (200 units) Rs. 4,000<br>Labor Rs. 3,000<br>Indirect expenses Rs. 2,000<br>Normal wastage is 5% of the input and the wastage sold at Rs. 16.50 each. Prepare process a/c. | (6 Marks)  |
| 9.   | Distinguish between job costing and contract costing.  | (6 Marks)  |
| 10.  | Explain Arbitration clause and Escalation clause.  | (6 Marks)  |
| <b>SECTION – C</b>   |  |            |
| <b>(Answer any FIVE Questions Sub question. Each Sub-question carries 14 marks) (03x14=42Marks)</b>  |  |            |

12. Anurag Ltd. Was engaged on a contract during the year 2015. The contract price was Rs. 2,00,000. The trial balance extracted from the books on 31<sup>st</sup> Dec 2015 stood as follows:

| PARTICULARS   | DEBIT<br>( )    | CREDIT<br>( )  |
|---|-----------------|----------------|
| Share capital   | -               | 40,000         |
| Sundry creditors  | -               | 4000           |
| Buildings   | 17,500          | -              |
| Cash at Bank  | 4,500           | -              |
| Contract account:                                       |                 |                |
| Materials   | 37,500          | -              |
| Plant   | 10,000          | -              |
| wages   | 52,500          | -              |
| Cash received from contractor<br>(80% of work cerified) |                 | 80,000         |
| Expenses  | 2,000           | -              |
| <b>Total</b>  | <b>1,24,000</b> | <b>1,24000</b> |

Of the plant and materials charged to the contract. Plant costing Rs. 1,500 and materials costing Rs. 1,200 were destroyed by fire.

On 31<sup>st</sup> December 2015 plant costing 2,000 was returned to stores and material at site was valued at Rs. 1,500, cost of uncertified work was Rs. 1,000, charge 10% depreciation on plant. Prepare contract account for the year 2014 and the Balance sheet as on 31<sup>st</sup> December 2015.

(14 Marks)

13. Shankar construction Ltd. Have undertaken the construction of a bridge. The contract price being 65 lakhs. The details relating to the contract are as follows:

| Particulars | Amout |
|-------------|-------|
|-------------|-------|

(14 Marks)

|   |           |
|---|-----------|
| Materials bought                            | 16,50,000 |
| Material sent from stores                   | 4,00,000  |
| Labour cost                                 | 20,00,000 |
| Direct expenses                             | 1,25,000  |
| Hire and use of plant up keep accrual       | 60,000    |
| General overhead allocation                 | 1,75,000  |
| Materials on hand at the end of the period  | 31,500    |
| Wages accrued at the period ended           | 37,500    |
| Direct expenses accrued at the period ended | 7,500     |
| Cost of work certified by the engineer      | 55,00,000 |
| Cost of work uncertified                    | 1,00,000  |
| Cash received                               | 44,00,000 |

Prepare contract account, contractee's account and show how the relevant items appear in the Balance Sheet of the contractor.

14. Arpitha Ltd. Manufactures a product, which passes through processes of A, B and C. the details of expenses incurred on them during the year 2016 were as under:

| <b>PARTICULARS</b>            | <b>A</b> | <b>B</b> | <b>C</b> |
|-------------------------------|----------|----------|----------|
| Units issued                  | 10,000   |          |          |
| Cost per unit                 | 100      |          |          |
| Sundry material               | 10,000   | 15,000   | 5,000    |
| Labor                         | 30,000   | 80,000   | 65,000   |
| Direct expenses               | 6,000    | 18,150   | 27,200   |
| Sale price of output per unit | 120      | 165      | 250      |

Management expenses during the year were Rs. 80,000, Selling and Distribution expenses – Rs. 50,000. These are not allocable to the processes.

Actual output of the 3 process was: A – 9,300 units, B – 5,400 units and C – 2,100 units.  $\frac{2}{3}$ <sup>rd</sup> of the output of process A and  $\frac{1}{2}$  of the

(14 Marks)



|  | <p>output of B was passed to the next process and the balance was sold. The entire output of C was sold.</p> <p>The normal loss of the 3 processes, calculated on the input of every process was, process A – 5%; process B – 15%; Process C- 20%.</p> <p>The loss of process A was sold at Rs. 2 per unit, of B at Rs. 5 per unit and that of C at Rs. 10 per unit. Prepare 3 process Accounts and Profit and Loss Account.</p>  |             |        |                 |  |  |  |                           |  |            |  |            |
|--|---|-------------|--------|-----------------|--|--|--|---------------------------|--|------------|--|------------|
| 15.  | <p>Pranav Transport runs a minibus with a capacity of 25 seats. The bus runs between two towns which are 25 km apart. It runs for 30 days in a month and on an average 80% of seating capacity is utilized. The bus makes two round trips each day.</p> <table border="1" data-bbox="167 748 1190 976"> <thead> <tr> <th data-bbox="167 748 679 786">Particulars</th> <th data-bbox="679 748 1190 786">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="167 786 679 824">Cost of the bus</td> <td data-bbox="679 786 1190 824"></td> </tr> <tr> <td data-bbox="167 824 679 902">Eastimated scrap value at the end of its sueful life of 10 years</td> <td data-bbox="679 824 1190 902"></td> </tr> <tr> <td data-bbox="167 902 679 940">Driver's salary per month</td> <td data-bbox="679 902 1190 940"></td> </tr> <tr> <td data-bbox="167 940 679 976">Conducor's</td> <td data-bbox="679 940 1190 976"></td> </tr> </tbody> </table> | Particulars | Amount | Cost of the bus |  | Eastimated scrap value at the end of its sueful life of 10 years |  | Driver's salary per month |  | Conducor's |  | (14 Marks) |
| Particulars  | Amount  |             |        |                 |  |  |  |                           |  |            |  |            |
| Cost of the bus  |   |             |        |                 |  |  |  |                           |  |            |  |            |
| Eastimated scrap value at the end of its sueful life of 10 years |   |             |        |                 |  |  |  |                           |  |            |  |            |
| Driver's salary per month  |   |             |        |                 |  |  |  |                           |  |            |  |            |
| Conducor's   |   |             |        |                 |  |  |  |                           |  |            |  |            |



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**V Semester B.Com (CBCS) Commerce – MOCK PAPER – October 2018**

**Subject: Entrepreneurship Development**

**Duration: 3 Hours**

**Time: 6:30 PM to 8:00 PM**

**Max Marks: 70**

**Note:1. All sections are compulsory**

**2. Illustrate wherever necessary**

## SECTION – A

**1. Answer any FIVE Questions Sub question. Each Sub-question carries 2 marks 02x05=10 Marks)**

|    |   |            |
|----|---|------------|
| a. | How does Companies Act define 'Private Company'?                                  | (02 Marks) |
| b. | Define 'Tiny' industries.   | (02 Marks) |
| c. | What is 'Business opportunity'?   | (02 Marks) |
| d. | What is an 'Industrial Policy'?   | (02 Marks) |
| e. | What do you mean by Industrial Estate?  | (02 Marks) |
| f. | Expand the following abbreviations:<br>SFC, IIBI, AWAKE, SISL, ICICI, SIDBI & DIC | (02 Marks) |
| g. | Mention any two functions of a business plan.                                     | (02 Marks) |

## SECTION – B

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

|    |   |           |
|----|---|-----------|
| 2. | Is there need for entrepreneurs? Enlist their contributions.              | (6 Marks) |
| 3. | Explain the issues to be examined for location by an entrepreneur.        | (6 Marks) |
| 4. | Explain the Financial aspect of business plan.                            | (6 Marks) |
| 5. | What is an industrial estate? Explain briefly any four of its objectives. | (6 Marks) |
| 6. | Write a note on IFCI, IDBI & KSFC   | (6 Marks) |

## SECTION – C

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

|     |   |            |
|-----|---|------------|
| 7.  | State the deciding factors on organization while starting a business.   | (14 Marks) |
| 8.  | Enlist the financial institutions offering financial assistance to SSI with a brief note in State Finance Corporations assistance | (14 Marks) |
| 9.  | What are the causes and remedial measures of Industrial Sickness?   | (14 Marks) |
| 10. | Explain the typical Business plan Format.   | (14 Marks) |
| 11. | Explain the importance of small scale industries in an Indian economy.  | (14 Marks) |



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**V Semester B.Com (CBCS) Commerce – MOCK PAPER – October 2018**

**Subject: Goods And Service Tax**

**Duration: 3 Hours**

**Max Marks: 70**

## **SECTION – A**

**Answer any FIVE Questions Sub question. Each Sub-question carries 2 marks 2x05=10 Marks)**

1. What is dual GST model?
2. Who is a nonresident person?
3. What should be the quorum of the GST council meeting?
4. What is mixed supply?
5. Expand GSTN and GSP?
6. Who is a casual taxable person?
7. What is clime of input tax credit?

## **SECTION – B**

**Answer any TWO Questions Sub question. Each Sub-question carries 6 marks 03x6=18Marks**

8. Write a note on formation of GST council
9. Briefly explain,
  - a) Export of good of services
  - b) Import of goods of services
10. Give a note on annual return and final return.
11. State the powers and function of GSP.
12. Compute the transcation value of goods from the following information and GST payable by a dealer registered in Karnataka.  
Selling prince including GSTY 43,000  
Following transaction not included in the above price;  
Secondary pakcing cost 1,500  
Cost of durabe and returnbale packing 1,500

Insurance on freight paid by supplier charged separately 500

Trade discount 1,000

Rate of GST 18%

### SECTION – C

**Answer any THREE Questions Sub question. Each Sub-question carries 14 marks 3x14=42Marks**

13. What are the benefits of implementation of GST?

14. Write a note on GSP Eco-system, and

15. Briefly explain frame work and guidelines to integrate GST S system

16. Briefly explain the input tax credit under GST?

17. From the following details, compute the value of taxable services and services tax liability for the month of September 2017.

Service provided to foreign diplomatic mission 6,00,000

Aerial advertising 5,00,000

Service by way of private tuitions 80,000

Speed post services 70,000

House given on rent for residential purpose 50,000

Value of free service rendered to friends 2,00,000

Services rendered to UNO 5,00,000

Certification for exchange control purpose 1,00,000

Secretarial auditing 25,000

Fees to act as a liquidator 3,00,000

Vacant land used for horticulture 10,00,000

Sale of time slot by broadcasting organization 2,00,000

Services rendered within Indian territorial water 4,00,000

Services



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V Semester B.Com (CBCS) Commerce – PRACTICE Q.P. – OCTOBER 2018

Subject: International Financial Reporting Standards

Duration: 03Hrs.

Max Marks: 70

Note: 1. All sections are compulsory

2. Illustrate wherever necessary

| SECTION – A  |  |            |
|--|--|------------|
| (Answer any FIVE Questions Sub question. Each Sub-question carries 2 marks) (02x05=10 Marks) |  |            |
| 1.   | Write any 2 demerits of IFRS.  | (02 Marks) |
| 2.   | Expand the terms 'I.F.R.S' and 'I.A.S.B'.  | (02 Marks) |
| 3.   | How do you treat "Pre-Acquisition Profit or Loss"?   | (02 Marks) |
| 4.   | Explain meaning of the term 'Convergence with IFRS'.   | (02 Marks) |
| 5.   | Mention 4 examples for 'Current Liabilities'.  | (02 Marks) |
| 6.   | Explain the term "Inventories".  | (02 Marks) |
| 7.   | Give meaning of the term 'Related Party Transaction'.  | (02 Marks) |
| 8.   | Explain the term "Non-controlling Interest"  | (02 Marks) |
| SECTION – B  |  |            |
| (Answer any three Questions Sub question. Each Sub-question carries 6 marks) (03x6=18 Marks) |  |            |
| 9.   | Give the list of any 7 IFRS issued by IASB.  | (6 Marks)  |
| 10.  | Explain the Disclosure requirements for Earnings Per Share (Ind AS) 33   | (6 Marks)  |
| 11.  | Define ' Investment Property' and give examples for Investment Property (IND AS 40)  | (6 Marks)  |
| 12.  | From the following Ledger Balances extracts of Shekar ltd for the year ending 31.03.2018 prepare a statement of P/L<br><br><i>Revenue from Operations - ₹ 98000/-</i><br><i>Other Income - ₹ 2000/-</i><br><i>Advertising- ₹ 5250/-</i><br><i>Salaries- ₹ 27000/-</i><br><i>Depreciation- ₹ 2800/-</i><br><i>Insurance- ₹ 1000/-</i><br><i>Interest on Debentures- ₹ 1000/-</i><br><i>Preliminary Exp. Written off - ₹ 1000/-</i><br><i>Bad debts- ₹ 500/-</i><br><i>Discount given- ₹ 500/-</i><br><i>Printing &amp; Stationery- ₹1000/-</i><br><i>Cost of materials consumed- ₹25000/-</i> | (6 Marks)  |

|     |  |           |
|-----|--|-----------|
| 13. | <p>Priyakrishna Ltd acquired 60% of Equity shares in Siyaram Ltd on 01-10-2017. The following balances are extracted from the Balance sheet of Siyaram Ltd as on 31-03-2018:</p> <ul style="list-style-type: none"> <li>i. Share Capital: 40000 Equity shares of ₹100 each fully paid.</li> <li>ii. General Reserve on 01-04-2017 ₹ 80,000/-</li> <li>iii. Profit and Loss A/c (Credit) on 01-04-2017 ₹ 30,000/-</li> <li>iv. Net profit for the year ended 31-03-2018 ₹ 60,000/-</li> </ul> <p>Calculate COST OF CONTROL.</p> | (6 Marks) |
|-----|--|-----------|

**SECTION – C**

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

|     |   |            |
|-----|---|------------|
| 14. | <p>(a) Briefly Explain the scope &amp; disclosure requirements of Intangible Assets as per Ind AS-38.</p> <p>(b) Calculate the borrowing cost from following details of 'Dhoni Co Ltd':</p> <ul style="list-style-type: none"> <li>i. ₹ 10 Crores arranged by 12% p.a. debentures payable after 10 years. ₹ 5 Crores loan from SBI at 10% p.a. repayable in 5 years and balance ₹ 5 Crores loan at 12% p.a. from HDFC Bank repayable in 5 years.</li> <li>ii. Debentures are repayable at 5% premium.</li> <li>iii. Total service charges for HDFC loan is 10% of the loan amount.</li> <li>iv. Total loan processing charges for SBI loan is ₹ 5 Lakhs.</li> </ul> | (14 Marks) |
|-----|---|------------|

|     |   |            |
|-----|---|------------|
| 15. | Give the List of any 15 IND AS issued by the Ministry of Corporate affairs. | (14 Marks) |
|-----|---|------------|

|     |  |            |
|-----|--|------------|
| 16. | What is an Interim Financial Report (IFR) ? Explain the disclosure requirements under IFR. | (14 Marks) |
|-----|--|------------|

| 17.                     | <p>(a) From the following Trial Balance of CSK Ltd prepare a STATEMENT OF FINANCIAL POSITION OF THE COMPANY as at 31.03-2018:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Debit</th> <th style="text-align: right;">Rs.</th> <th style="text-align: left;">Credit</th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Cash at bank</td> <td style="text-align: right;">150000</td> <td>Equity Share Capital</td> <td style="text-align: right;">250000</td> </tr> <tr> <td>Non- current assets</td> <td style="text-align: right;">100000</td> <td>Reserves and Surplus</td> <td style="text-align: right;">50000</td> </tr> <tr> <td>Non-current Investments</td> <td style="text-align: right;">50000</td> <td>Non-current liabilities</td> <td style="text-align: right;">400000</td> </tr> <tr> <td>Land &amp; Building</td> <td style="text-align: right;">400000</td> <td>Current Liabilities</td> <td style="text-align: right;">100000</td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">100000</td> <td>Staff PF</td> <td style="text-align: right;">100000</td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: right;">50000</td> <td>Deposits from Public</td> <td style="text-align: right;">100000</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;">100000</td> <td>Preference Capital</td> <td style="text-align: right;">250000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">200000</td> <td></td> <td></td> </tr> <tr> <td>Trade Receivables</td> <td style="text-align: right;">100000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><b>1250000</b></td> <td></td> <td style="text-align: right;"><b>1250000</b></td> </tr> </tbody> </table> <p>(b) Daksh Ltd purchased equipment for its company the price of which is Rs. 250000 inclusive of GST Rs. 60000. The entity gets credit of tax paid while calculating the tax payable on finished goods sold. Additional costs incurred are as below:<br/>         Freight Rs. 10000, customs duty Rs. 80000<br/>         Installation expenses Rs. 5000<br/>         Estimate for Dismantle &amp; removal of items Rs. 5000/-<br/>         After the equipment was put to use Rs. 5000/- was spent towards cleaning the spare parts.<br/>         Calculate Cost of the Asset according to Ind AS-16.</p> | Debit                   | Rs.            | Credit | Rs. | Cash at bank | 150000 | Equity Share Capital | 250000 | Non- current assets | 100000 | Reserves and Surplus | 50000 | Non-current Investments | 50000 | Non-current liabilities | 400000 | Land & Building | 400000 | Current Liabilities | 100000 | Furniture | 100000 | Staff PF | 100000 | Office Equipment | 50000 | Deposits from Public | 100000 | Goodwill | 100000 | Preference Capital | 250000 | Stock | 200000 |  |  | Trade Receivables | 100000 |  |  |  | <b>1250000</b> |  | <b>1250000</b> | (14 Marks) |
|-------------------------|---|-------------------------|----------------|--------|-----|--------------|--------|----------------------|--------|---------------------|--------|----------------------|-------|-------------------------|-------|-------------------------|--------|-----------------|--------|---------------------|--------|-----------|--------|----------|--------|------------------|-------|----------------------|--------|----------|--------|--------------------|--------|-------|--------|--|--|-------------------|--------|--|--|--|----------------|--|----------------|------------|
| Debit                   | Rs.   | Credit                  | Rs.            |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Cash at bank            | 150000  | Equity Share Capital    | 250000         |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Non- current assets     | 100000  | Reserves and Surplus    | 50000          |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Non-current Investments | 50000   | Non-current liabilities | 400000         |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Land & Building         | 400000  | Current Liabilities     | 100000         |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Furniture               | 100000  | Staff PF                | 100000         |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Office Equipment        | 50000   | Deposits from Public    | 100000         |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Goodwill                | 100000  | Preference Capital      | 250000         |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Stock                   | 200000  |                         |                |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
| Trade Receivables       | 100000  |                         |                |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |
|                         | <b>1250000</b>  |                         | <b>1250000</b> |        |     |              |        |                      |        |                     |        |                      |       |                         |       |                         |        |                 |        |                     |        |           |        |          |        |                  |       |                      |        |          |        |                    |        |       |        |  |  |                   |        |  |  |  |                |  |                |            |



# SRI BHAGAWAN MAHAVEER JAIN EVENING COLLEGE

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

V Semester B.Com (CBCS) Commerce – PRACTICE Q.P. – OCTOBER 2018

**Subject: International Financial Management**

**Duration: 03Hrs.**

**Max Marks: 70**

## Section – A

**Answer the following questions**

**5x2=10**

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

## Section- B

**Answer the following questions**

**6x3=18**

1. Bring out the nature and types of risk.
2. Bring out the advantages and disadvantages of capital rationing?
3. 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 1<sup>st</sup> year. Earning after taxation is expected to be as follows:

Cash inflows

| 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    |

The cost of capital is 10% compute NVP,

Profitability Index.

4. 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.
5. What are financial markets? Bring out its features and functions?

**Section – C**

**Answer any two of the questions of the following Questions**

**3x14=42**

1. From the following assess the working capital

Requirements of AB limited.

| 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      |

2. Explain various factors determining working capital requirement.

3. Elvis Ltd is considering accepting one of two mutually exclusive projects M&N the cash flow and probabilities are at estimated as under.

| 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    |



4. Explain various methods of business valuation?

5. Prepare cash budget for 3 months ended 31<sup>st</sup> December 2015 based on following information

- Cash at bank on 1/10/2015- (Rs)1,60,000
- Salaries and wages estimated monthly (Rs) 40,000
- Interest payable-August , November(Rs) 20,000
- Credit sales are collected 50% in 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.

| <b>Particulars</b> | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> |
|--------------------|------------------|----------------|-----------------|-----------------|
| 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          |

INCOME TAX

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **two** marks. **(5×2 = 10)**
- Define Assessment Year.
  - Mention any two examples of exempted incomes.
  - What is Standard Rent ?
  - Expand CBDT and PAN.
  - Give the meaning of salary for the purpose of calculating exempted RPF contribution by employer.
  - What do you mean by Agricultural Income ?
  - What is Capital expenditure ?

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. **(3×6 = 18)**

2. Mr. Kumar is a non- government employee getting pension of Rs. 16,000 per month from a company. During the previous year 2015–16 he got his  $\frac{2}{3}$ <sup>rd</sup> pension commuted and received Rs. 9,84,000. Compute taxable pension for the Assessment Year 2016 – 17.

P.T.O.

3. Mr. Ramesh is a citizen of America comes to India on 20-3-2015 for the first time and on 01-09-2015 he left India and went to Nepal on a business trip. Again he comes back to India on 26-02-2016. Determine his residential status for the Assessment Year 2016 – 17.

4. State whether the following are agricultural or non-agricultural Income.

- a) Income from agricultural land situated in Australia.
- b) Income derived from sale of seeds.
- c) Income from sale of forest trees of spontaneous growth.
- d) Lease rent received from land given to tenants for agricultural operations.
- e) Income derived from land used as stone quarries.
- f) Income from sale of plants from nursery.

5. Explain the Canons of Taxation.

6. From the following information compute Net Annual value of House Property for the A.Y. 2016 – 17

|   |              |
|---|--------------|
| Municipal value                               | Rs. 1,00,000 |
| Fair Rental value                             | Rs. 1,80,000 |
| Let out (per month)                           | Rs. 16,000   |
| Standard Rent                                 | Rs. 1,20,000 |
| Unrealised rent for one month                 |              |
| Municipal tax paid by owner of House Property | Rs. 20,000   |
| Municipal tax paid by tenant                  | Rs. 10,000   |

SECTION – C

Answer **any three** questions. Each question carries **fourteen** marks. (3×14 = 42)

7. Mrs. Smitha is working as Sales Executive in Maruthi Suzuki Ltd. Kolkata and her salary details are as follows for the previous year 2015 – 16

- a) Basic salary Rs. 21,000 per month
- b) Bonus equal to two months basic salary
- c) Commission 3% on sales (During the year she reached sales target of Rs. 5,00,000)
- d) Dearness allowance Rs. 7,000 per month. (Eligible for Retirement benefits)
- e) Medical allowance Rs. 1,400 per month. (Medical expenses Rs. 15,000 p.a.)
- f) Children Hostel Allowance for her two children @ Rs. 500 per month per child.
- g) Children Education Allowance for her two children @ Rs. 400 per month per child.
- h) RPF contribution by the company Rs. 6,000 per month.
- i) RPF contribution by employee Rs. 5,000 per month.
- j) Interest credited on RPF @ 11% Rs. 44,000.
- k) She has been provided with company's owned rent free furnished house in Mumbai and cost of furniture provided Rs. 60,000.
- l) Mrs. Smitha paid her professional tax Rs. 2,400 p.a.

Compute Taxable Salary for the A.Y. 2016 – 17.

8. Mr. Akshay furnishes the following particulars of his income for the previous year 2015–16. Determine his taxable income for the A.Y. 2016–17. If his residential status is

- a) Ordinary resident
- b) Not ordinary resident
- c) Non-resident.
  - i) Income from business in Hubli Rs. 1,00,000
  - ii) Profit from business in UK controlled from India Rs. 60,000
  - iii) Income from House Property in Japan received there Rs. 50,000
  - iv) Income from business in India received in Pakistan Rs. 30,000
  - v) Salary received in India for service rendered in USA Rs. 70,000
  - vi) Interest on deposits with SBI in Mysore Rs. 20,000
  - vii) Profit from business in Singapore controlled from India ( $\frac{1}{3}$ <sup>rd</sup> received in India) 30,000
  - viii) Past untaxed foreign income brought into India Rs. 8,000
  - ix) Dividend received from a domestic company Rs. 5,000
  - x) Agricultural income earned in Nepal Rs. 25,000
  - xi) Commission received in India for service given in Japan Rs. 10,000
  - xii) Income from profession in India but received in France Rs. 10,000

9. Mr. Shankar is the owner of three house Properties in Bangalore and let-out all the houses throughout the year

| Particulars                 | House – A<br>(Rs.) | House – B<br>(Rs.) | House – C<br>(Rs.) |
|-----------------------------|--------------------|--------------------|--------------------|
| Fair Rent                   | 1,80,000           | 1,50,000           | 1,20,000           |
| Municipal valuation         | 1,50,000           | 2,00,000           | 1,00,000           |
| Let out (per month)         | 20,000             | 15,000             | 25,000             |
| Use by tenant               | Residential        | Office             | Residential        |
| Repair charges              | 10,000             | –                  | 40,000             |
| Collection charges          | 20,000             | 5,000              | –                  |
| Interest on loan :          |                    |                    |                    |
| a) For construction         | 1,00,000           | –                  | –                  |
| b) For Marriage of daughter | –                  | 60,000             | –                  |
| c) For repairs              | –                  | –                  | 10,000             |

Municipal tax is 10% of Municipal valuation. Municipal tax of House – A was paid by owner but Municipal tax of House – B was not paid upto 31<sup>st</sup> March 2016 and Municipal tax of House – C was paid by tenant. The House – C was remained vacant for 2 months.

Compute Income from House Property for the A. Y. 2016 – 17 by making assumption housing loan in respect of House A and C was taken after 1-4-1999.

10. Mr. Yadav is an employee of State Bank of India Bangalore and he submits the following information relevant for the A.Y. 2016 – 17. Compute his taxable income from salary :

- a) Basic salary Rs. 8,000 per month.
- b) Dearness allowance Rs. 1,500 per month (does not form part of salary).
- c) City compensatory allowance Rs. 300 p.m.
- d) Bonus Rs. 10,000 per annum.
- e) Conveyance allowance Rs. 2,000 p.m. (60% spent for office duties).
- f) House Rent allowance Rs. 5,000 p.m.  
(Rent paid by employee Rs. 7,000 p.m.)
- g) Payment of LIC Premium by SBI Rs. 4,000 p.a.
- h) Services of sweeper paid by SBI Rs. 200 per month.
- i) Leave Travel Concession Rs. 5,000 (First time in current Block period).
- j) Reimbursement of gas, electricity and water bill by the SBI Rs. 2,500 per annum.
- k) RPF contribution by the bank and own contribution of employee 14% of salary.
- l) Interest credited to RPF at 14% Rs. 14,000.
- m) Professional tax paid by Yadav Rs. 5,000.

11. Mr. Suryakantha has three houses in Mandya and particulars of which are relating to previous year as under :

| Particulars           | House – I<br>(Rs.) | House – II<br>(Rs.) | House – III<br>(Rs.) |
|-----------------------|--------------------|---------------------|----------------------|
| Use of House          | Let out            | Let out             | S.O.P.               |
| Standard Rent         | 1,50,000           | 2,00,000            | –                    |
| Municipal value       | 1,00,000           | 3,00,000            | 3,00,000             |
| Fair rental value     | 1,80,000           | 1,80,000            | 3,50,000             |
| Actual rent per month | 15,000             | 20,000              | –                    |
| Municipal tax paid    | 10% of M.V.        | 10% of M.V.         | 10% of M.V.          |
| Repair charges        | –                  | –                   | 2,000                |

Suryakantha borrows Rs. 3,00,000 at 20% per annum from the bank for construction of House – III. (date of borrowing 01-06-2008, date of repayment of loan 10-5-2016) Construction of all houses is completed in May 2013.

Determine the taxable income from house property for the assessment year 2016 – 17.