

J. Z. Shah Arts & H. P. Desai Commerce College, Amroli.

Internal Test ~ 2016

M.Com. Semester ~ II (EM)

Financial & Management Accounting ~ VI

Date : 16/03/2016

Time : 08:00 To 10:00

Roll No.

Total Marks : 50

Prof. Mehtul B. Shah

Q-1 From the following details of Priyanka find out “the taxable income from other sources” for A.Y.2015-16 (15)

- 1) Interest of s.14,352 received on tax- free debentures of Priyanka ltd.(TDS 10.30%)
- 2) A gift from friend Rs. 51,000
- 3)Wedding gift from rs.71,000 from a friend
- 4)Interest due on “Kisan Vikas Patra” Rs.40,000
- 5) Royalty 9,000, after deduction of expenses.
- 6)12%, 2,69,400 Tax free debentures of Ranvir Ltd.(TDS 10.30%)
- 7)Interest on Public Provident Fund Rs.85,000
- 8)12% tax free debentures of 2,40,000 of Dipika Ltd.(TDS 20.60%) was purchased on 1-4-14,and it was sold on 1-2-2015
- 9) Interest on 44,000 due on National saving certificates.
- 10)Winning from lottery(Net)2,62,580(TDS 30.90%) For Purchasing of taxable securities, a bank loan of 2,40,000 was taken at the rate of 9% on 1-7-2014.expenses of 6,800 occurred for collection of Interest on taxable securities. on all securities, interest received on 30th June and 31st December.

Q-1 OR

- (A) Explain Grossing up of Income of Interest of securities. (8)
- (B) Explain provision for TDs u/s 211. (7)

Q-2 X and Y are resident individuals and partners of XY co.(A firm of Chartered accountants)on march 31,2015,there is no provision for payments of salary and interest to partners. On April1,2015,the deed of partnership has been amended to provide salary and Interest as follows. (15)

	X	Y
Salary	Rs.20,833 per month	Rs.25,000 per month
Interest	24% per annum	24% per annum

The income and expenditure account of XY Co. for the year ending on 31st march 2016 is as follows:

Office expenses	2,10,000	Receipts from Clients	10,10,000
Salary to Employees	70,000	Interest recovered from X & Y on drawings	3,000
Income tax	42,000		
Salary to X	2,50,000		
Salary to Y	3,00,000		
Interest on capital to X @24% p.a.	16,000		
Interest on capital to Y @24% p.a.	19,000		
Net Profit(Shared by X & Y Equally as per the terms of partnership deed)	1,06,000		
	10,13,000		10,13,000

Other information:

- 1) Out of office expenses, Rs.18,800 in not deductible U/S. 30 to 37.
- 2) During the previous year 2015-16, the firm sells a capital assets for Rs.7,10,000

(Indexed cost of acquisition being Rs.1,45,865)

3) Personal income and investments of partners are as follows:

	X Rs.	Y Rs.
Interest from govt. securities	4,80,000	4,33,000
Bank interest	6,50,000	1,52,000
Deposit in public provident fund	1,20,000	95,000
Mediclaime Insurance Premium	22,000	21,000

Find out the net Income and tax liability of the firm and partners for the assessment year 2016-17.

OR

Q-2 According to Value Added Tax Act(VAT) Find out: (8)

- (A)
- 1) Total Tax
 - 2) Total tax Refund(Credit) and
 - 3) Government received as total tax

Megha(manufacturer) purchased raw-material as follows:

Rawmaterial of 2,000 purchased from Neha(Rate of VAT 10%)
Rawmaterial of 3,000 purchased from Rushika (Rate of VAT 9%)
Rawmaterial of 8,000 purchased from Disha (Rate of VAT 8%)

She produced finished products from such goods, and it was sold on 30,000 to the Wholesaler, rate of VAT was 6%

Then, the wholesaler sold it to retailers at 50,000 ,the rate of VAT was 7%

The retailers sold it to consumers at 60,000 ,The rate of VAT was 8%

Q-2 According to Value Added Tax Act(VAT) Find out:

- (B) 1) Total Tax (7)
2) Total tax Refund(Credit) and
3) Government received as total tax

Manufacturer Gopika has purchased raw-material as follows:

Rawmaterial of 2,000 purchased from Riya(Rate of VAT 5%)

Rawmaterial of 6,000 purchased from Charmi (Rate of VAT 4%)

Rawmaterial of 4,000 purchased from Komal (Rate of VAT 6%)

She produced finished products from such goods, and it was sold on 25,000 to the Wholesaler, rate of VAT was 3%

Then, the wholesaler sold it to retailers at 40,000 ,the rate of VAT was 4%

The retailers sold it to consumers at 60,000 ,The rate of VAT was 3%

Q-3 X, Y and Z (1:1:2) are three partners of a firm. For the assessment year2015- (10)
16,net loss of the firm is -1,30,000(out of which unadjusted depreciation is Rs.40,000).on April30,2015,Z retires from the firm and the other partners carry on the same business. The income of the firm for the assessment year 2016-17 before adjusting of the aforesaid loss and depreciation is rs.1,08,000. Compute the net income of the firm after adjustment of loss and depreciation for the assessment year 2016-17. Assume that salary and interest are not payable to partners.

Q-4 Short Notes(Any One) (10)

- 1) What is Partnership? Explain sec.184
- 2) PAN Card
- 3) Explain(I) Business (II) Capital Goods (III) Dealer



SECTION -1

- 1 M Ltd. has (Cr. Balance) of Rs. 22,400 on 31-3-2014 and Rs. 27,200 (Cr. Balance) on 31-3-2015. The following transactions took place during the year: (06)
- Rs. 4,000 provision for tax and Rs. 28,000 provision for depreciation was made.
 - Interim dividend of Rs. 16,000 was paid during the year.
 - Last year's balance sheet showed Rs. 1,20,000 as general reserve and the current year's general reserve balance was Rs. 1,24,000
 - During the year, investment costing Rs. 24,000 was sold for Rs. 24,200 and Machinery costing Rs. 36,000 was sold for Rs. 36,800.
- Calculate cash from operations.

- 2 The following are the balance sheets of "H" Ltd. As on 31-3-2014 and 31-3-2015. Prepare cash flow statement as per Accounting Standard -3: (14)

Liabilities	31-3-2014	31-3-2015	Assets	31-3-2014	31-3-2015
10% Red. Preference Share Capital (Rs. 100)	10,00,000	5,00,000	Land (Cost Price)	2,00,000	2,00,000
Equity Share Capital (Rs. 10 each fully paid up)	30,00,000	32,00,000	Building (Cost less Depreciation)	3,00,000	2,75,000
Share Premium	3,00,000	2,70,000	Plant & Machinery (Cost less Depreciation)	27,00,000	30,00,000
Capital Redemption Reserve	-	3,00,000	Investment (Cost Price)	8,00,000	8,50,000
General Reserve	5,00,000	3,00,000	Stock	16,00,000	26,00,000
P & L A/C	3,20,000	4,30,000	Debtors	20,00,000	18,75,000
Mortgaged Loan	8,80,000	9,70,000	Loans & Advances	3,50,000	1,75,000
Proposed Dividend	4,00,000	5,30,000	Cash & Bank	50,000	25,000
Sundry Creditors	16,00,000	25,00,000			
	80,00,000	90,00,000		80,00,000	90,00,000

Additional Information:

- Proposed dividend of 2014 was paid in 2015.
- Depreciation of Rs. 25,000 on Building and Rs. 30,000 on Plant & Machinery was provided during the year.
- A Plant costing Rs. 95,000 (depreciation provided Rs. 78,000) was sold for Rs. 35,000.
- During the year, 5,000 Redeemable Preference Shares, each of 100 was redeemed at 10% premium. The amount of premium was taken from share premium A/c for redemption, 20,000 new equity shares at 10% premium were issued. The capital redemption reserve was created from general reserve.

3. The Balance Sheets of Virat Ltd. And its subsidiary Vaman Ltd. As on 31st December, 1986 (15) are as follows:

Liabilities	Virat Rs.	Vaman Rs.	Assets	Virat Rs.	Vaman Rs.
Share Capital Equity shares of Rs. 10 each	6,00,000	3,00,000	Good will	75,000	45,000
10% Pref. Shares of Rs. 10 each	1,20,000	60,000	Machinery	1,20,000	75,000
General Reserve	1,20,000	75,000	Vehicles	2,40,000	1,12,500
Profit & Loss	1,95,000	1,50,000	Furniture	90,000	60,000
Bank Overdraft	45,000	40,000	Investment	3,75,000	67,500
Creditors	87,000	69,000	Stock	75,000	75,000
Bills payable	9,000	4,500	Cash & Bank	94,500	1,33,500
			Debtors	1,05,000	1,20,000
			Bills Receivable	1,500	10,000
	11,76,000	6,98,500		11,76,000	6,98,500

Additional Information :

- (1) Virat Ltd. Had acquired 12,000 equity shares of Vaman Ltd. On 31-12-85 and additional 10,500 equity shares on 1-1-86 for Rs. 1,42,500 and Rs. 1,20,000 respectively.
- (2) Preference share capital of Vaman Ltd. Includes shares of the face value of Rs. 22,500 which are held by Virat Ltd. Which the latter had acquired on 1-1-84 at a price of Rs. 52,500
- (3) There was a balance of Rs. 45,000 to the credit of Profit and Loss Account of Vaman Ltd. As on 1-1-86 and a balance of Rs. 30,000 to the credit of General Reserve on the same date.
- (4) Vaman Ltd. had paid dividend at 10% on its paid up capital for the year 1985 out of its Profit and Loss Account balance as on 1-1-86.
- (5) As per resolution passed on 30th November 1986, Vaman Ltd. has issued one bonus share for every 10 shares held out of its General Reserve.
- (6) The bills receivable of Virat Ltd. were drawn on Vaman Ltd. out of which bills of Rs. 3,000 were discounted with the bank.
- (7) During 1986, Virat Ltd. had bought goods, of Rs. 15,000 at a sales price of Rs. 18,000 from Vaman Ltd. out of which 40% of the goods was in stock on 31-12-1986
- (8) On 1-1-86 the machinery of Vaman Ltd. was found to have been over valued by Rs. 15,000 and adjustment is to be made for it. The Company charges depreciation at 10%

Prepare a Consolidated Balance Sheet as on 31st December, 1986.

OR

3. The manager of Radhika Ltd. is entitled to a salary or Rs. 6,000 p.m. and in addition to (15) commission of 5% of the net profit of the company, before charging such salary and commission. The profit and loss account of the company for the year ended 31st March, 1994, was as under :

	Rs.		Rs.
To Administrative expenses	1,04,000	By Gross profit	12,60,000
“ Salary and bonus	4,00,000	By Subsidy	40,000
“ Ex-gratia Payment to employees	10,000	By Profit on sale of Building	20,000
“ Scientific research expenses	1,80,000		
“ Distribution expenses	68,000		
“ Debenture interest	32,000		
“ Director fees	6,000		
“ Donations	4,400		
“ Loss on sale of Machinery	2,000		
“ Provision for depreciation	11,600		
“ Development rebate reserve	2,000		
“ Commission to the manager (on account)	20,000		
“ Provision for taxes	2,00,000		
“ Net Profit	2,80,000		
	13,20,000		13,20,000

Additional Information :

- (1) Depreciation allowable under Companies Act. Rs. 15,600.
- (2) Cost price of building sold during the year was Rs. 60,000, while its depreciated value was Rs. 50,000.
- (3) Cost price of machinery sold was Rs. 40,000, while its depreciated value was Rs. 20,000
- (4) Amount of salary includes the salary of Rs. 72,000, paid to the manager.

From the above information, find out the outstanding commission payable to the manager.

4 Write short notes on: (any three)

(15)

1. Scope of Social Responsibility
2. Usefulness of cash flow statement
3. Explain the process of designing on accounting system
4. Maximum and minimum limits of managerial remuneration
5. Minority interest
6. Goodwill



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Internal Test ~ 2016

M. Com. Semester - II (EM)

Economics of Growth Development And Planing ~ II

Date : 10/03/2016

Roll No.

Time : 08:00 To 10:00

Total Marks : 50

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- Q. 1. Answer the following in short. (10)
1. State the assumptions of economic model.
 2. What is actual growth rate ?
 3. Define warranted growth rate.
 4. Who is empirical entrepreneur ?
 5. State the components of innovation.
- Q. 2. Critically discuss the W.A. Lewis model of economic growth. (13)
- OR
- Q. 2. (a) Discuss Domar's growth model. (06)
- (b) What are the criteria of judging the social cost and social benefit ? (07)
- Q. 3. Critically explain the Rostow's stages of economic growth. (13)
- OR
- Q. 3 Diagrammatically explain labour intensive technique and discuss the arguments in favor of it. (13)
- Q. 4. Short Note : (Any 2) (14)
- (1) Uses of the economic model.
 - (2) Difference between Harrod and Domar model.
 - (3) Capital formation through bank credit.
 - (4) Growth agents.



(1) All answers are compulsory.

(2) Right side number shows marks for each quest.

Q. 1. Answer in brief: (10)

- a) What is meant by empowerment ?
- b) Give the meaning of total quality management.
- c) What is meant by confidence by management ?
- d) Define cyber Corp.
- e) State the objectives of change.

Q. 2. Explain the reasons of individual resistance to change. (12)

OR

Explain internal dynamics of team.

Q. 3. What is meant by conflict management? Explain its levels of intra-personal conflict. (13)

Q.4. (a) Write any one: (07)

- (1) Importance of confidence by management
- (2) Value stream management

(b) Mahek Co-operative bank is a private bank established in Gujarat. It becomes well known in the state to provide good services to its customers. As time passes the bank is failed to provide speedy service to its customers due to lack of technology. The bank manager Mr. Satish Panwalla thinks that if this situation may continue, the bank will lose its investors and customers. Thus, he thinks to re-mechanism to the bank so that, the customers get speedy service without wasting of time and receive opportunity to have more use of information technology. (08)

Which are the managerial problems involved in the above case? Argue in support of your solution.



Q. 1. Answer in brief : (10)

- (1) What is advertising message design ?
- (2) State the process of measuring advertising effectiveness.
- (3) State the characteristics of an Ideal compensating plan
- (4) State the objectives of sales contest
- (5) State different types of sales repots

Q. 2. (A) Explain the components of the message design. (08)

(B) Explain the post testing methods of measuring advertising effectiveness. (08)

OR

Q. 2. (A) Give the meaning of advertising agency. Discuss the reasons responsible for the break of customer / client agency relationship. (08)

(B) "There are many difficulties involved in measuring advertising effectiveness." Discuss. (08)

Q. 3. (A) Discuss the merits and demerits of various salesman remuneration plans. (08)

(B) Explain - Activity cost analysis. (08)

OR

Q. 3. (A) Explain different methods to train salesmen (08)

(B) Explain process of sales control. (08)

Q. 4. Case Study : (10)

Shiv Publication is engaged in business of publishing and selling books. It advertises through exhibitions Mr. Gopal is a sales man who visits various book-stalls and educational institutions and books orders for the company. He is paid remuneration only on salary + commission basis and is not given any conveyance allowance. Besides, company does not arrange any sales meetings or sales contests. Mr. Gopal has to carry leaflets, price lists and many times books with him. However the response from educational institutions is not very good. Other sales are also not motivated and the company sales are not according to the expectation.

Which problems are involved in the case ? Give your suggestions to improve conditions.



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Internal Test ~ 2016

M. Com. Semester - II (EM)

Financial & Management Accountancy ~ V

Date : 15/03/2016

Time : 08:00 To 10:00

Roll No.

Total Marks : 50

Instruction : (1) Figure to the right hand side indicate full Marks of the Questions.

Q. 1. From the following information give adjusted entries in the books of head office (05)
and also prepare head office A/c in the books of branch :

(1) Branch A/c. (Dr.)	2,10,800
(2) Head office A/c (Dr.)	1,79,800
(3) Goods Sent to branch	3,00,000
(4) Goods received by branch	2,09,400

Q. 2. [A] Discuss the Routine reports and special reports. (20)
[B] State the modern trends in published accounts with reference to format,
layout and get up.
[C] Discuss the objects of reports to management.

OR

Q. 2. B H Ltd. has branch in New York as 31st March 2015 the trial balance of the (20)
branch was as follows :

Particulars	Debit Rs.	Credit Rs.
Head office Account	~	8,500
Sales	~	61,000
Goods from head office	44,000	~
Stock on 1st April - 2015	8,500	~
Furniture	9,000	~
Cash in hand	250	~
Bank Balance	1,250	~
Salaries	2,800	~
Rent	1,200	~
Insurance	150	~
Outstanding Expense	~	800
Debtors	3,150	~
	<u>70,300</u>	<u>70,300</u>

The branch account in Head office shown debit balance Rs. 2,14,500 and goods sent to branch credit balance of Rs. 13,12,500.

Depreciation on furniture at 10% per annum stock at branch 31st March 2015 \$7,500.

on 1-4-2014 1\$ = Rs. 28

on 31-3-2015 1\$ = Rs. 30

Average rates 1\$ = Rs. 29

Convert the trial balance sheet in rupees and prepare branch Final Accounts.

Q. 3. From the trial B/s of the National Insurance Ltd. prepare final A/c for the year 31-3-2015. (15)

Particulars	Rs.	Particulars	Rs.
Paid Claim :		Share Capital	35,00,000
Marin	3,53,000	Premium :	
Fire	71,000	Fire	3,52,000
Accident Claim	2,55,000	Accident	9,19,000
Commission :		Marine	12,27,000
Fire	37,000	Forefature of Shares	1,000
Accident	1,66,000	Misc. Income	5,000
Expenses :		Interest & Dividend	1,05,000
Fire	86,000	Creditors	1,39,000
Accident	1,83,000	Outstanding Clams :	
Marine	1,13,000	Fire	17,000
General Expenses	4,04,000	Accident	14,000
Preliminary Exp.	4,10,000	Debt for Re-insurance	
Investments	20,50,000	Fire	3,57,000
Freehold Property	9,62,000	Accident	8,41,000
Balance of Agent	12,83,000	Marine	5,000
Debtors	12,70,000		
Furniture	75,000		
Receivable Interest	14,000		
Cash	7,50,000		
	74,82,000		74,82,000

Others Information :

- (1) Add 1,98,000 Rs. in freehold property for revolution purpose and this increment credit to capital reserve A/c.
- (2) Written off Rs. 1,10,000 from preliminary expenses and written of Investment Rs. 39,000 against capital reserve.
- (3) Carry forward the marine balance
- (4) Maintain 35% Reserve for future risk for fire and accident claim and remaning amount transfer to P&LA/c.

Q. 4. Following information derived from the book of Siya Ltd. prepare value added statement. (10)

Particular	Rs.	Particular	Rs.
Selling	27,60,000	Contribution in P.F.	33,600
Loss of plant Selling	90,000	P & L A/c. (Current year)	3,45,6000
Dep. of Plant	2,40,000	Dividend on Share	1,75,200
Stationary	26,400	Rent & Taxes	1,98,000
Audit fees	33,600	Opening Stock	1,92,000
P & L A/c (op. balance)	11,92,800	Closing Stock	2,40,000
Purchase of raw Material	7,50,000	Income tax	3,31,200
Interest on loan	48,000	Share in employee's insurance	42,000
Labour	3,92,000	other Expenses	1,02,000

