

(3 Hours)

[Total Marks : 100

N.B. : (1) Question No. 1 is compulsory.

(2) Attempt any **three (3)** questions from Question No. 2 to 7.

(3) **Figures** to the **right** indicate **full** marks.

1. Following is the Trial Balance of M/s Manali Traders, as on 31st March, 2017. Prepare Trading Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as on that date. **40**

Trial Balance as on 31st March, 2017

Particulars	Amount(Rs.)	Particulars	Amount(Rs.)
Drawings	3,000	Capital	85,000
Opening Stock	10,000	Creditors	45,000
Purchases	82,400	Sales	1,44,000
Office Salary	6,000	R.D.D.	1,000
Royalty	2,000	Returns Outward	2,400
Trade Expenses	1,600	Bills Payable	5,000
Advertisement	5,200	Outstanding Wages & Salaries	2,600
Wages & Salaries	10,400		
Cash in hand	8,000		
Sundry Debtors	51,000		
Bad Debts	400		
Investment	16,000		
Motor Car	30,000		
Furniture	10,000		
Office Rent	3,400		
Plant & Machinery	30,000		
Freehold Property	10,000		
Bills Receivable	4,000		
Interest	1,600		
Total	2,85,000	Total	2,85,000

Adjustments :

- (1) Closing Stock was valued at Rs. 18,000. Market Value of the stock is Rs. 15,000
- (2) Depreciate Freehold property @ 10% and Motor Car by 25% p.a.
- (3) Write off Rs. 1,000 as bad debts and provide 5% R.D.D on Sundry Debtors and provide 2% for discount on debtors & Creditors.
- (4) 10% Interest on Investment is accrued for 6 Months.
- (5) Office Salary Rs. 1,000 was paid in advance.

[TURN OVER

2. Smriti Ltd. Invited applications for 5,00,000 equity shares of Rs.10 each payable as follows :- 20
 With Application—Rs.2.50; On allotment—Rs.3.5; On first Call—Rs.2; On second & Final call—Rs.2
 Applications totalled 4,70,000 shares. The Board of Directors accepted all the applications.
 Both the calls were made. All the moneys were duly received. You are required to :-
- (i) Pass Journal entries for all the transactions including cash transactions,
 - (ii) Prepare cash book
 - (iii) Prepare Share Capital Ledger Account
 - (iv) Draw balance sheet after the receipt of call money.
3. Prepare Bank Reconciliation Statement as on 31st July 2016 20
- (a) Balance as per Cash Book is Rs. 25,000 as on 31st July 2016.
 - (b) Cheques for Rs. 15,000 were deposited into the Bank in the month of July but only cheques for Rs. 11,000 were credited by the bank till 31st July, 2016.
 - (c) Cheques issued for Rs. 13,000 in July, out of which a cheque for Rs. 3,800 was presented for payment on 3rd August.
 - (d) Bank charged Rs. 50 as Bank charges and credited interest of Rs. 370.
 - (e) A customer directly deposited Rs. 1,550 in firm's bank A/c.
 - (f) Bank paid the Insurance Premium of Rs. 1,200 as per standing instructions on 25.07.2016.
4. M/s Mahesh Limited purchased a Machinery for Rs. 6,00,000 on 1st April, 2013. 20
 Additional machinery was acquired for Rs.6,00,000 on 30th September, 2014 and Rs. 1,00,000 on 1st April, 2016.
 Machinery which was purchased on 30th September, 2014 was sold for Rs.5,10,000 on 30th September, 2016.
- You are required to give Machinery Account, Depreciation Account for the year ended 31st March, 2014, 31st March, 2015, 31st March 2016 and 31st March 2017, taking into account depreciation @ 10% on written down value method. (Workings forms part of main answer and carry marks).
5. Explain the following Terms (any five) :- 20
- (a) Cash & Trade Discount
 - (b) Petty cash book
 - (c) Reserve for doubtful debt
 - (d) Bonus Share
 - (e) Right Share
 - (f) Forfeiture of Share

6. State with the reasons whether the following are capital or revenue Expenditure/Receipts : 20

1. Cost of Air-conditioning the office of General Manager.
2. Cost of Overhauling and painting a second hand truck newly purchased.
3. Cost of annual taxes paid and the annual insurance paid on the truck mentioned above
4. Wages paid to workers for installation of machinery
5. Cost of making more exits in a cinema hall under orders of Government.
6. Cost of re-decorating a cinema hall.
7. Cost of putting up gallery in a theatre hall.
8. Cost of acquiring goodwill of old firm.
9. Expenses incurred in connection with obtaining a license for starting the factory were Rs. 10,000.
10. Fees Received from Apprentices.

7. Write Short Notes (Any 4) :-

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- (a) Difference between Equity Share & Debenture
 - (b) Various users of Accounting Information
 - (c) Conservatism
 - (d) Widely Accepted accounting Concepts
 - (e) AS 2.
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RG-4539

Sub-Basic Cost Concept

Time : 3 Hours

Total Marks : 100

- Notes :
1. Attempt any five questions.
 2. Figures to the right indicate full marks.
 3. Working notes form part of answer.
 4. All questions carry equal marks.

- Q. 1 Prepare Cash budget of a company for April, May and June 2014 in a columnar form using the following information :- (20 Marks)

Month 2014	Sales	Purchases	Wages	Expenses
January (Actual)	80,000	45,000	20,000	5,000
February (Actual)	80,000	40,000	18,000	6,000
March (Actual)	75,000	42,000	22,000	6,000
April (Budgeted)	90,000	50,000	24,000	6,000
May (Budgeted)	85,000	45,000	20,000	6,000
June (Budgeted)	80,000	35,000	18,000	5,000

You are further informed that :

- a. 10% of the purchases and 20% of the sales are for cash.
 - b. The average collection period of the Company is $\frac{1}{2}$ month and the credit purchases are paid off regularly after one month.
 - c. Wages are paid half monthly and rent of Rs. 500 is paid monthly.
 - d. Cash and bank balance as on 1st April, is Rs. 15,000 and the Company wants to keep it on the end of every month at this figure, the excess cash being put in fixed deposits.
- Q. 2. Shah Electronics Co. furnishes you the following income information of the year 2005 (20 Marks)

Particulars	First Half (Rs.)	Second Half (Rs.)
Sales	4,05,000	5,13,000
Profit	10,800	32,400

From the above table you are required to compute the following assuming that the fixed cost remains the same in both the periods.

- a. P/V Ratio
 - b. Fixed Cost
 - c. Break Even Point
 - d. Variable Cost for the first and second half of the year.
 - e. The amount of profit or loss where sales are Rs. 3,24,000.
 - f. The amount of sales required to earn a profit of Rs. 54,000.
- Q. 3. The standard material cost for 100 kg. of Chemical D is made up of: (20 Marks)
- Chemical A = 30 Kg. @ Rs. 4 per kg.
Chemical B = 40 kgs. @ Rs. 5 per kg.

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Chemical C = 80 Kgs. @ Rs. 6 per kg.

A batch of 500 kgs. of chemical D was produced from a mix of :

Chemical A = 140 Kgs. at a cost of Rs. 588

Chemical B = 220 kgs. at a cost of Rs. 1056

Chemical C = 440 kgs. at a cost of Rs. 2860

How do the yield, mix and the price factors contribute to the variance in the actual cost per 100 kg of Chemical D over the standard cost?

Q. 4 Raunak contractor has undertaken two contracts one at Shahapur and another at Badlapur. The details of the contracts are given below. For the year ended 31st March 2014. (20 Marks)

Particulars	Shahapur	Badlapur
Date of Commencement	1.07.2013	1.10.2013
Contract Price	10,00,000	15,00,000
Direct Labour	2,55,000	1,82,000
Material issued from stores	2,20,000	2,00,000
Material returned to stores	10,000	15,000
Plant installed at site	2,00,000	3,50,000
Direct Expenses	40,000	30,000
Office Overheads	15,000	10,000
Material Sold (Cost Rs. 8,000)	10,000	--
Material at site	18,000	16,000
Cash Received from Contractee (Representing 80% of work certified)	4,80,000	2,40,000
Work uncertified	13,000	9,000
Architect Fees	7,000	3,000

- Provide depreciation on plant on 20% p.a.
- During the year material costing Rs. 10,000 were transferred from Badlapur Contract to Shahapur Contract.

You are required to prepare contract A/c of Shahapur and Badlapur Contract.

Q. 5. S Ltd. Provides you the following information for the year ended 31st March 2014. (20 Marks)

Particulars	Process A	Process B	Process C
Raw material (Units)	12,000	2,440	2,600
Cost of Raw material per unit (Rs.)	5	5	5
Direct Wages (Rs.)	34,000	24,000	15,000
Production overheads (Rs.)	16,160	16,200	9,600
Normal Loss (% of total No. of units entering to the process)	4%	5%	3%
Wastage (% of the total No. of units entering to the Process)	6%	5%	4%
Scrap per unit of Wastage (Rs.)	3	4	5
Output transferred to subsequent process	70%	60%	--
Output sold at the end of the process	30%	40%	100%
Selling price per unit (Rs.)	12	16	17

Prepare Process A,B and C Account.

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- Q. 6. (a) Explain the different types of Material Variance. (10 Marks)
(b) What are the advantages and disadvantages of Process Costing? (10 Marks)
- Q. 7. (a) What is Budgetary Control? Discuss various steps required for operating the budgetary control system. (10 Marks)
(b) Distinguish between Standard costing and budgetary control. (10 Marks)
- Q. 8. Short Note (Any Four) (20 Marks)
- a. Master Budget
 - b. Abnormal Gain
 - c. Break-even point
 - d. Budget Manual
 - e. Standard Hour

FY.P.G.D.F.M.

JULY. 2017

Con.395-17.

Sub - Fin. mgmt - I

ST-5689

(3 Hours)

[Total Marks : 100

N.B.

- Question No. 1 is compulsory.
- Attempt any Four questions from Questions 2 to 8.
- All questions carry 20 Marks each.
- Suitable assumptions can be made if needed; working notes form part of your answers.
- Use of simple Calculator is permitted.

1. From the following information prepare a statement showing Sources and Application of Funds for the year ended 31st December, 2016 with full working .

Balance sheet as on 31st December

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Share Capital	2,00,000	2,50,000	Land & Building	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant & Machinery	1,50,000	1,69,000
Profit & Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank Loan	70,000	--	Cash	500	600
Sundry Creditors	1,50,000	1,35,200	Sundry Debtors	80,000	64,200
Provision for Tax	30,000	35,000	Bank	--	8,000
			Goodwill	--	5,000
Total	5,30,500	5,10,800	Total	5,30,500	5,10,800

For the year ended 31st December, 2016 following additional information is available.

1. Dividend of Rs.23,000 was paid.
2. Assets of another company were purchased for a consideration of Rs.50,000 payable in shares.
The following assets were purchases ; Stock Rs.20,000; Machinery Rs.25,000;and goodwill Rs.5,000.
3. Additional Machinery was purchased for Rs.8,000.
4. Income Tax was paid Rs.28,000.

[TURN OVER

2. The management of Bahubali Ltd. has called for a statement showing the working capital to finance a level of activity of 1,80,000 units of output for the year. The cost structure for the company's product for the above mentioned activity level is detailed below:

Particulars	Cost per unit (Rs.)
Raw Materials	20
Direct Labour	5
Overheads (include depreciation of Rs.5 per unit)	15
Total cost	40
Profit	10
Selling Price	50

Additional Information:

- Minimum desire cash balance is Rs. 20,000
- Raw Materials are held in stock, on an average, for two months.
- Work in progress (assume 50% completion stage) will approximate to half – a – month's production.
- Finished goods remain in warehouse, on an average for a month.
- Suppliers of materials extend a month's credit and debtors are provided two month's credit; cash sales are 25% of total sale.
- There is time lag in payment of wages of a month; and half – a month in the case of overheads.

From the above facts, you are required to prepare a statement showing working capital requirements

3. A limited company is considering investing a project requiring a capital outlay of Rs.2,00,000. Forecast for annual income after depreciation but before tax is as follows:

Year	1	2	3	4	5
Rs.	1,00,000	1,00,000	80,000	80,000	40,000

Depreciation may be taken as 20% on original cost and taxation at 50% of net income.

You are required to evaluate the project according to each of the following methods:

- Pay-back method
- Rate of return on original investment method
- Rate of return on average investment method
- Discounted cash flow method taking cost of capital as 10%
- Net present value index method

4. The following financial information of Katapa Ltd. Is available for the year ended 31st March, 2017.

Particulars	Details
Gross profits	Rs. 54,000
Shareholders' Funds	Rs. 6,00,000
Gross Profit Margin	20%
Credit Sales to Total Sales	80%
Total Assets turnover	0.3 times
Inventory turnover	4 times
Average collection period (a 360 days year)	20 days
Current ratio	1.8
Long-term Debt to Equity	40%

Prepare the Balance Sheet from the following data.

5. Explain in details the various sources of short term finance.
6. What is Preference shares? Briefly explain the features, advantages and disadvantages of preference shares.
7. Write short Notes on any Four of the following.
- Right shares
 - Payback period
 - Solvency Ratios
 - Factors affecting working capital
 - Debenture's
 - Factors effecting payment of dividend
8. Compare and Contrast any Two:
- Proprietor's funds and Loan funds
 - NPV and IRR
 - Liquidity and Profitability Ratios
 - Operating Leverage and Financial Leverage

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Con.396-17.

F.Y. PG.D.F.M.

JULY-2017

ST-5605

HOURS: (3 hours)

Sub-Taxation-I

MARKS: 100

Notes:

1. Question No. 1 is Compulsory
2. Attempt any three questions from the remaining.
3. All questions carry 25 marks each.
4. Working should form part of the answers.

Q1. DR REVATI is employed with YAMRAJ Hospital as a full time Doctor. Following are (details of her income for the year ended 31st March 2016.

- (1) Basic Salary Rs. 12,000 per month.
- (2) D.A. @30% of Basic.
- (3) H.R.A. Rs. 10,000 (Exempt u/s 10(13A) Rs. 4,500).
- (4) She is provided conveyance facility for journey from her residence to hospital and back costing the hospital Rs. 10,000.
- (5) Entertainment allowance Rs. 500 p.m.
- (6) Arrears of Salary Rs. 6,000.
- (7) Professional Tax deducted by hospital Rs. 2,400.
- (8) Best Doctor Award given to her by Yamraj Hospital Rs. 2,500.
- (9) She was selected the best surgeon by the State Government and was awarded " The Dhanvantari" award instituted in Public Interest Rs. 10,000.
- (10) She received honorarium for presenting papers in various seminars Rs. 3,000.
- (11) She was owing a surgical equipment which was given on hire to Dr. JEET Hire charge received by her were Rs. 30,000. The expenses on maintenance amounted to Rs. 2,500 and allowable depreciation Rs.4, 500.
- (12) She paid Rs. 16,000 by cash to LIC for pension fund.
- (13) She paid by cheque for medical insurance as follows:

(a) For self-	12,670
(b) Dependent children	12,670
(c) Independent Parents	12,670

Compute her Net Taxable Income for the A.Y. 2016-17.

Q2). Following is the profit and loss account of Mr. M for the year ended 31-03-2016:-

Particulars	Rs.	Particulars	Rs.
To Repairs on Building	1,81,000	By Gross Profit	6,01,000
To Amount paid to IIT Mumbai for an approved scientific research programme	1,00,000	By I.T. Refund	14,500
To Interest	1,10,000		
To Travelling	1,30,550		
To Net Profit	93,950		
	6,15,500		6,15,500

Following additional information's are furnished:

1. Repairs on Building includes Rs. 1,00,000 being cost of laying a road.
2. Interest payments include Rs. 50,000 on which tax has not been deducted and penalty for contravention of Central Sales Tax Act of Rs. 24,000.

Compute the income chargeable under the head "Profits and Gains of Business or Profession" of Mr. M for the year ended 31-03-2016 ignoring depreciation.

[TURN OVER

Q3.) S has a residential property, details of which are given below:

Particulars	Rs.
Municipal Valuation	1,00,000
Rent receivable p.m.	10,000

The following expenses were paid by S:

- (1) Municipal taxes Rs. 10,000.
 - (2) Collection charges RS. 8,000.
 - (3) Insurance Rs. 10,000. The house remained vacant for one month during the year.
- Compute his income from house property for the assessment year 2016-17.

Q4.) Mr.Dhruvitt an Australian Citizen came to India for the first time on 1st April, 2011 and started a Business in Mumbai. He went out of India on 1st April, 2015 and came back on 1st January, 2016 and was in India thereafter. Find out his Residential Status for the Assessment Year 2016-17.

Q5.) Discuss the various deductions u/s 80 as per Income Tax Act, 1961.

Q6.) Explain the terms short term Capital gain and long term capital gain. Also explain the tax treat of long term & short term capital gains.

Q7.) Briefly explain the exemptions u/s 10 as per Income Tax Act, 1961.

Q8.) Explain any five terms as per the Income Tax Act, 1961

- (a) Person
- (b) Assessee.
- (c) Assessment Year
- (d) Person
- (e) Resident and Ordinary Resident
- (f) Net Annual Value
- (g) Entertainment Allowance

F.Y. PGDFM (sem)

July-17

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