

Con. 350-18.

GM-6911

(3 Hours)

[Total Marks : 100

- N.B. : (1) Question No. 1 is compulsory.
 (2) Attempt any three questions from Q. 2 to Q. 7.
 (3) Figures to the right indicates full marks.

1. From the following Trial balance and additional information of Jay. Prepare 40 trading account, Profit and loss account for the year ended on 31st December, 2017 and a Balance Sheet as on 31st December, 2017.

Trial Balance as on 31st December, 2017

Debit Balances	Rs.	Credit Balances	Rs.
Stock (1.1.2017)	50,000	Purchase Returns	5,000
Bad debts	15,000	Sales	2,80,000
Drawings	20,000	Capital	2,40,000
Bank Balance	20,000	Creditors	60,000
Insurance Premium	10,000	RDD	5,000
Cash	20,000		
Plant & Machinery	1,00,000		
Land and Building	2,00,000		
Debtors	40,000		
Purchases	65,000		
Wages	10,000		
Carriage	2,000		
Sales return	10,000		
Office expenses	5,000		
Printing and Stationery	2,000		
Staff Salaries	20,000		
Sundry expenses	1,000		
Total	5,90,000		5,90,000

[TURN OVER

Additional Information :—

1. Closing Stock is valued at Rs. 25,000.
 2. Provide depreciation on Plant and Machinery 20% and Land and Building 10%
 3. Outstanding wages Rs. 5,000.
 4. Prepaid insurance premium Rs. 1000.
 5. Write off new Bad debts Rs. 2000 and provide New RDD @ 5% on debtors.
2. LMN Ltd. issued 1,00,000 shares of Rs. 10 each at a premium of Rs. 5 per share, payable as : On application Rs. 8 (including premium) per share. On allotment Rs. 4 per share. On call Rs. 3 per share Applications were received for 1,20,000 shares out of these money on 20,000 shares were refunded and allotment was made to remaining share holders. Call was made and money was duly received. pass journal entries for above transactions and also prepare cash book. 20
3. Mr. Ajays Cash Book at 30th November 2017 showed an overdraft of Rs. 40,500/- . 20
Detailed examination of the two records revealed the following :—
The debit side of the cash book had been under cast by Rs. 300.
- (a) A cheque for Rs. 1,500 in issued to Mr. Z, has not been presented for payment.
 - (b) A cheque for Rs. 11,800 drawn in payment of the telephone account had been entered in the cash book as Rs. 18,100 but was shown correctly on the bank statement.
 - (c) A cheque for Rs. 2,000 received from Mr. Ajay brooks having been paid into the bank was dishonored but no entry relating to the dishonor had been made in the cash book.
 - (d) The bank had debited our account for Rs. 200 for dishonor of cheque not recorded in Cash Book.
 - (e) A dividend of Rs. 900 has been directly credited to his bank account and no entry made in the cash book.
 - (f) Cheques totaling Rs. 12,600 issued on 29th November had not been presented

for payment.

- (g) A cheque of Rs. 1000 deposited on 30th November had not been credited by the bank.
- (h) Interest amounting to Rs. 280 had been debited by the bank but not entered in the cash book.
- (i) A cheque for Rs. 5,600 directly deposited (without informing Mr. Ajay) by Mr. Jain in Ajay's bank has not yet cleared.

Prepare a statement reconciling Ajay's cash book and find out balance as per his bank statement as on 30th November, 2017.

4. ABC and Co purchased a machinery on 1st April, 2015 for Rs. 4,00,000. 20
On 1st October 2015 company purchased additional machinery costing Rs. 2,00,000.
On 31st December 2017 Company sold the machinery which was purchased on 1st October 2015 for Rs. 70,000. Depreciation is to be charged @ 10% on straight line method on 31st March every year.
You are required to prepare Machinery a/c and Depreciation A/c for 2015-16, 2016-17 and 2017-18.
5. Explain the following terms (any five) :— 20
(a) Diminishing balance method of depreciation
(b) Capital expenditures
(c) Bonus shares
(d) Conservatism
(e) AS-1 Disclosure of accounting policies
(f) Rights Shares.
6. Share with reason whether the following are capital, Revenue or deferred revenue expenditure or receipt. 20
(a) Wages paid on the purchase of goods.
(b) Rent received from investment in property

- (c) Transportation paid on new machinery purchased
- (d) An additional room was constructed at a cost of Rs. 1,50,000
- (e) Cost of replacement of an old worn out part of machinery
- (f) Cost of acquiring the good will of an old firm
- (g) Repairs and renewal of machinery
- (h) Heavy advertisement expenditure
- (i) Sale of Motor Car
- (j) Bonus paid to office staff.

7. Write short notes (any **four**)

20

- (a) Bank reconciliation statement.
 - (b) Explain what is Primary and Secondary set of books.
 - (c) Advantages of preparing final accounts at the end of the year.
 - (d) Forfeiture of shares.
 - (e) Advantages of using computers in accounting.
 - (f) Explain any five provisions of any one accounting standard.
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Con. 357-18.

GM-6228

(3 Hours)

[Total Marks : 100

- N.B. : (1) Attempt any five questions.
 (2) Figures to the right indicates full marks.
 (3) Working notes from part of your answer.
 (4) All questions carry equal marks.

1. The Standard Cost of a certain chemical mixture is : 20
 40% Material 'A' @ Rs. 20 per kg
 60% Material 'B' @ Rs. 30 per kg
 Standard loss of 10% is expected in production.
 During a period, there is used :
 90 kgs. Material A at cost of Rs. 18 per kg.
 110 kgs. Material B at a cost of Rs. 34 per kg.
 The weight produced is 182 kgs. of good production.

Calculate and present :

1. Material Cost Variance;
 2. Material Price Variance;
 3. Material Usage Variance;
 4. Material Mix Variance;
 5. Material Yield Variance;
2. The product manufactured by the Standard Chemicals Ltd. Passes through three 20
 Processes I, II and III.
 The following costs have been incurred for the month of September, 2017:

Details	Process I Rs.	Process II Rs.	Process III Rs.
1. Material consumed	40,000	7,500	5,000
2. Direct Wages	22,500	10,000	10,000
3. Direct Expenses	20,500	2,250	2,505
Total	83,000	19,750	17,505

[TURN OVER

Details	Process I Units	Process II Units	Process III Units
4. Output	3,900	3,850	3,200
5. Finished Process Stock:			
(i) 1.9.2017	600	550	800
(ii) 30.9.2017	500	800	Nil
6. Stock valuation in 1.9.17 (per unit)	Rs. 24.50	Rs. 31	Rs. 37
7. Percentage of Wastage	2	5	10
8. Net realizable Value of Wastage (Per Unit)	Rs. 13.50	Rs. 16.25	Rs. 21.00

4,000 Units of raw material were introduced in Process 1 at a cost of Rs. 20,000. Stocks are valued and transferred to subsequent processes at weighted average cost. The percentage of wastage is computed on the number of units entering the process concerned.

Prepare :

1. Process Account
 2. Normal Wastage Account
 3. Process Stock Account
 4. Abnormal Wastage/Effective Account.
3. The following information is obtained from the books of a contractor relating to a contract for Rs. 75,00,000. The contractee pays 90% of the value of work done as certified by the architect. 20

	2015 Rs.	2016 Rs.	2017 Rs.
Materials	9,00,000	11,00,000	6,30,000
Wages	8,50,000	11,50,000	8,50,000
Direct Expenses	35,000	1,25,000	45,000
Indirect Expenses	15,000	20,000	—
Work Certified	17,50,000	56,50,000	75,00,000
Work Uncertified	—	1,00,000	—
Plant Issued	1,00,000	—	—

The value of plant at the end of 2015, 2016 and 2017 (when the contract was completed) was Rs. 80,000, Rs. 50,000 and Rs. 20,000).

Prepare Contract Account, Work in Progress Account and Contractee's Account. Show the relevant figures in the Balance Sheet.

4. The turnover and profits during the two periods were as follows : 20

	Sales Rs.	Profit Rs.
Period I	40 Lakhs	4 Lakhs
Period II	60 Lakhs	8 Lakhs

Assuming that the cost structure and selling prices remain the same in the two periods.

Calculate :

1. Profit Volume Ratio,
 2. Break Even Point Sales,
 3. The sales required to earn profit of Rs. 10 lakhs,
 4. Margin of safety in period II,
 5. Profit when sales are Rs. 50 lakhs.
5. A newly started Star-War Co. Ltd. wishes to prepare Cash Budget from January. 20
Prepare a Cash Budget for the first six months from the following estimated revenue and expenses.

Months	Total Sales Rs.	Material Rs.	Wages Rs.	Overheads Production Rs.	Overheads Selling & Distribution Rs.
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	24,000	14,000	4,600	3,300	800
April	26,000	12,000	4,600	3,400	900
May	28,000	12,000	4,800	3,500	900
June	30,000	16,000	4,800	3,600	1,000

[TURN OVER

Cash balance on 1st January was Rs. 10,000. A new machine is to be installed at Rs. 30,000 on credit to be repaid by two equal installments in March and April. Sales Commission @ 5% on total sales is to be paid within the month following actual sales.

Rs. 10,000 being the amount of second call may be received in March. Share premium amounting to Rs. 2,000 is also obtainable with second call.

Period of Credit allowed by Suppliers	:	2 months
Period of Credit allowed by Customers	:	1 month
Delay in payment of Overheads	:	1 month
Delay in payment of Wages	:	½ month

Actual Cash Sales to be 50% of Total Sales.

6. (a) Explain the various types of variances. 10
- (b) What are the advantages and disadvantages of contact costing. 10
7. (a) What is budgetary control ? Discuss various types of budget. 10
- (b) Distinguish between standard costing and budgetary control. 10
8. Short notes (any four) :— 20
- (a) Master Budget
- (b) Abnormal Gain
- (c) Break even point
- (d) Cash Budget
- (e) Margin of Safety.
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F.Y.P.G.D.F.M. = Paper - III
Aug. - 2018 = Final. Manag.

P4-Exam.-2018-1-27
Con. 358-18.

GM-6093

(3 Hours)

[Total Marks : 100

- N.B.** (1) Question No. 1 is compulsory.
(2) Attempt any **four** questions from questions Q.2 to Q.8.
(3) **All** questions carry **20 marks each**.
(4) Suitable assumptions can be made if **needed**; working notes form **part** of your answers.
(5) Use of **simple** calculator is **permitted**.

Q.1. From the following information prepare a statement showing Sources and Application of Funds for the year ended 31st December, 2017 with full working.

Balance Sheet as on

Liabilities	31-12-2016	31-12-2017	Assets	31-12-2016	31-12-2017
Share Capital	1,35,000	1,35,000	Goodwill	13,950	4,950
Reserves	40,500	54,000	Land & Bldg.	32,400	45,000
Loans	45,000	27,000	Plant & Mach.	1,13,400	85,050
Fixed Deposits	67,950	62,010	Furniture	-	40,500
Creditors	71,640	43,920	Investments	40,500	49,500
Proposed Div.	13,500	16,200	Debtors	94,500	1,14,120
Prov. for Taxation	10,800	12,600	Bank Bal.	89,640	11,610
	3,84,390	3,50,730		3,84,390	3,50,730

Other information :

- Depreciation is provided @ 10% on Furniture
- Depreciation on Land & Bldg. is Rs. 5,000
- Investments costing Rs. 8,000 were sold for Rs. 10,000 during the year
- Tax of Rs. 13,000 was paid for the year ended 31st Dec., 2017.

Q.2 Aryan ceramics is going to produce and sell 5,000 units per month in the year 2016. The material required per unit is Rs. 550/-. The direct labour is Rs. 12,00,000/- per month. The expenses are Rs. 1,26,00,000/- per annum. The sale price is fixed by calculating profit at 20% on sale price. Calculate requirement of working capital for the year 2016 by taking in to consideration following information :

- Stock of raw materials will be two months
- Process time is one month
- Stock of finished goods will be 1.5 months
- Credit allowed to 50% customers two months on acceptance of bills and balance 50% customers given one month credit
- 25% of expenses are paid one month in advance and balance 75% is paid after one month
- Time lag in payment of wages is one month.
- 20% of material is purchased on cash basis and suppliers of 80% material given 1.5 months credit.
- Cash required is 15% of net working capital.

[TURN OVER

Q.3 The following data are supplied relating to two investment proposals, only one of which may be selected :

	Proposal A (Rs.)	Proposal B (Rs.)
Initial capital Expenditure	50,000	50,000
Profit (Loss)		
Year 1	25,000	10,000
Year 2	20,000	10,000
Year 3	15,000	14,000
Year 4	10,000	26,000
Estimated resale value at the end of year 4	10,000	10,000

Notes :

- (a) Profit is calculated after deducting straight line depreciation.
 (b) The cost of capital is 10%

Which proposal should be accepted based on Net Present Value, Profitability Index and Internal Rate of Return method ?

Q.4 The records of Jay Chemicals Ltd. were destroyed by fire on 30th September, 2017. The accountant of the company was able to gather the following information.
 Balance Sheet as at 30th September 2017

Liabilities	Rs.	Assets	Rs.
Equity share capital (Comprised of shares of Rs. 10 each)	?	Fixed Assets	?
Reserve and Surplus	?	Investment	1,00,000
10% Debentures	1,60,000	Current Assets	
Current Liabilities		Stock	?
Creditors	?	Debtors	?
Bank Overdraft	50,000	Other Current Assets	?
	?		?

Following additional information is also available :

- (a) Sales for the year was Rs. 24,00,000.
 (b) Gross margin was 25% and Net Profit after tax was Rs. 1,00,000
 (c) E.P.S. was Rs. 2 per Share.
 (d) Debtors turnover ratio as well as creditors turnover ratio was 1 month.
 (e) Stock Turnover ratio was 20 times.
 (f) Debt equity ratio was 0.25:1
 (g) Proprietor ratio was 64%.

You are required to complete the Balance Sheet as at 30th September, 2017 from available information.

Q.5 Discuss objectives of Financial Management.

Q.6 What is Debentures ? Briefly explain the features, advantages and disadvantages of Debentures.

Q.7 Write short notes on any **four** of the following :-

- (a) Bonus shares
- (b) Accounting Rate of Return Method
- (c) Liquidity Ratios
- (d) Factors Determining working capital
- (e) Term Loans
- (f) Investing Activities of Cash flow statement.

Q.8 Compare and contrast any **two** :-

- (a) Net worth and Loan funds
 - (b) Traditional Payback period and Discounted payback period
 - (c) Efficiency and Solvency Ratios
 - (d) Operating Leverage and Combined Leverage.
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F.Y.P.G.D.F.M.
Aug:-2018.

Paper - IV
Taxation.

P4-Exam.-2018-1-34
Con. 360-18.

GM-6369

(3 Hours)

[Total Marks : 100

- N.B.: (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.

Q.1 Mr. DHRUVITT, employee of SATRA Ltd., covered by the Payment of Gratuity Act, 1972, retires on 31st January, 2018, after 36 years and 7 months service. At the time of retirement his employer paid him gratuity of Rs. 80,000 and he received Rs. 55,000 being the accumulated balance of Statutory Provident Fund. The due date of salary and allowances etc. was 1st day of the next month and were paid on due date. He was entitled to monthly pension of Rs. 450 with effect from 1st day of February, 2018, which becomes due on the 1st day of the month. Professional tax of Rs. 800. Compute the taxable income of Mr DHRUVITT for the assessment year 2017-18 on the basis of the following further information:

- Basic salary Rs. 2,900 p.m.
- House rent allowance Rs. 500 p.m. Taxable value is 50% of the amount received.
- Project allowance paid during the year Rs. 11,000
- Bonus paid during the year Rs. 3,800.
- In retirement, on encashment of earned leave at this credit of 15th month he received Rs. 37,500.

Q.2 Mr. VEDANSH owns a soap factory at Pune. Following is the Profit and Loss Account prepared by him for the accounting year 2016-17.

Particulars	Rs	Particulars	Rs
To Sales Tax (incurred during year)	2,500	By Gross Profit	80,000
To Advertising	6,000	By House Property Income	4,000
To Bonus	8,000		
To commission	3,000		
To Depreciation	6,500		
To Donation to National Defence Fund	1,000		
To Embezzlement by an employee	2,000		
To General Expenses	5,000		
To Salary to staff	11,000		
To Office expenses	5,000		
To Discount to retailers	3,000		
To Sundry expenses	5,000		
To Net Profit	26,000		
	84,000		84,000

Compute his business income for the assessment year 2017-18. Further particulars –

- Sales Tax paid during the year was Rs. 400. Total bonus paid during the year was Rs. 8,000 debited in the books and Rs. 11,000 provided for in preceding year but paid in the current year.
- Office expenses include Rs. 1,050 paid as bribe.
- General Expenses include Rs. 1,000 being the municipal taxes in respect of house property.

[TURN OVER

(2)

Q.3 ASHISH has a residential property, details of which are given below:

PARTICULARS	Rs.
Municipal valuation	1,60,000
Fair Rent p.m.	18,000
Standard Rent p.m.	10,000
Municipal Taxes paid @20% of municipal valuation	
Interest on loan for purchase of this house	20,000
Rent receivable p.m.	11,000

The house property was vacated by the tenant on the last day of October, 2016. It could then be let out only from 1st of January, 2017 at Rs. 14,000 p.m. Rent for March, 2017 could not be realised (the conditions under the relevant income-tax rules were satisfied).

Compute his income from house property for the assessment year 2017-18.

Q.4 Mr.KHURANA purchased a residential house on 01-06-1979 for Rs 1, 00,000. He incurred expenses of Rs. 60,000 towards cost of improvement on 02-07-1983. The fair market value of the house on 01-04-1981 was Rs 1,80,000. He sold the house on 10-10-2016 for Rs. 35 lakhs. The cost inflation index for F.Y. 1983-84 is 116 and for F.Y. 2016-17 is 1125.

You are required to compute his capital Gain for assessment year 2017-18.

Q.5 Briefly explain the exemptions u/s 10 as per Income Tax Act, 1961.

Q.6 Explain any five terms as per the Income Tax Act, 1961-

- Gratuity
- Income from SOP
- Specific Deduction
- Specific Income under Income from other sources
- Scope of total income
- Assessment Year
- Net Annual Value

Q.7 Discuss the various deductions u/s 80 as per Income Tax Act, 1961.

Q.8 State in brief the provision for clubbing provisions under the income tax law.

F.Y.D.F.M

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