

S. T. BAF Sem - III

1st Oct 2019.

Regular ATKT - Oct - 2019

SKM's JASHBHAI MAGANBHAI PATEL COLLEGE OF COMMERCE,
GOREGAON (W), MUMBAI - 90

REGULAR EXAMINATION - OCTOBER 2019

DURATION: 2.30HRS

SEM - III

MARKS: 75

PROGRAM: SYBAF

COURSE: DIRECT TAXATION - I

- Note: 1. All questions are compulsory each carrying 15 marks.
2. Use of only simple calculator is permitted.
3. Working notes should form part of your answer.

Q.(1) (A) Fill in the blanks, choosing the correct alternative. (any 8)

(8)

- (a) The Income Tax Act extends to _____ of India.
(i) States. (ii) Union Territories.
(iii) Citizens. (iv) Whole.
- (b) A.O.P. is the abbreviation used for _____.
(i) Association of persons. (ii) Association of professors.
(iii) Association of Panchayats. (iv) Associate of person.
- (c) The maximum deduction admissible against family pension received is 1/3 or _____.
(i) Rs. 15,000 whichever is more (ii) Rs. 75,000 whichever is less
(iii) Rs. 15,000 whichever is less (iv) Rs. 5,000 whichever is more.
- (d) Compensation for termination of employment.
(i) is not taxable (ii) is taxable as capital gains (iii) is taxable in
case of only 'specified' employees. (iv) is taxable as 'profit in lieu of salary'
- (e) Fair rental value of a house is Rs. 2,50,000, standard rent Rs. 2,20,000, actual rent Rs. 2,30,000. Municipal Taxes paid for 7 years in advance Rs. 2,80,000. Net Annual value is.
(i) Rs. 10,000 (ii) Loss Rs. 50,000 (iii) Rs. 2,50,000 (iv) Rs. 2,10,000.
- (f) Brokerage paid for arranging a house property loan is _____ as deduction.
(i) Disallowed (ii) Allowed
(iii) Exempt (iv) allowed at 10%.
- (g) Which of the following tax is allowed as a deduction while computing the business income?
(i) wealth tax (ii) Income Tax (iii) GST (iv) none of these
- (h) Shares held for less than 12 months are
(i) Short term Capital gains (ii) Long term capital gains
(iii) Exempted capital gains (iv) Excluded from definition of capital assets.
- (i) The deduction u/s 80E is allowed for repayment of interest to the extent of:
(i) Rs 25,000 (ii) Rs. 40,000 (iii) Any Amount (iv) None of these.
- (j) Professional Tax deducted is allowed on _____.
(i) Accrual basis (ii) Payment basis (iii) Both (i) & (ii) (iv) none of these.

(B) State whether True or False (any 7)

(7)

(a) Every Person does not have to pay income tax.

(b) Reimbursement of actual travelling expenses to an employee is income as per Income Tax Act.

(c) Residential status of a person may change from year to year.

(d) A maximum exemption in case of leave encashment for a non-govt. employee shall be Rs. 3,00,000.

(e) Unrealized rent is a deduction from net annual value.

(f) A has two house properties, both are self-occupied. The annual value of both houses shall be nil.

(g) Deductions under sec 37(1) shall be allowed even of those expenditure which are of capital nature if used for the purpose of business.

(h) Capital gain arises from the transfer of any asset.

(i) winning from Lotteries, cross word puzzles, horse races & other races, card games, etc. are casual income & hence fully exempt.

(j) The quantum of maximum deduction allowed u/s 80U is Rs. 50,000.

Q.2) Mr. Dan (Senior Citizen) has let out his property situated at Pune for residential purpose, the details for which for the year ended 31st March, 2019 are as follows: (15)

(a) Fair Rent	Rs. 2,75,000
(b) Municipal Valuation	Rs. 2,60,000
(c) Actual rent Received	Rs. 3,00,000
(d) Municipal Taxes paid by the tenant	Rs. 10,000
(e) Collection Charges incurred	Rs. 5,000
(f) Repair Expenses	Rs. 4,500
(g) Insurance premium paid for insuring the property	Rs. 2,800
(h) Interest paid on funds borrowed for purchasing the property	Rs. 35,000

Following are the details of his other income earned by him during the P.Y. 2018-19.

(i) Interest accrued on Fixed Deposit with Bank	Rs. 10,000
(ii) Interest accrued on PPF A/c	Rs. 2,000
(iii) Dividend from Saraswat Cooperative Bank	Rs. 5,000
(iv) Dividend from Raymond Ltd.	Rs. 4,000

During the P.Y. 2018-19 he made the following investments and payments:

- (a) Investment in NSC Rs. 70,000
- (b) Investment in PPF A/c Rs. 60,000
- (c) Paid Rs. 25,000 by cheque as premium towards medical insurance policy for self.

Compute the NET taxable Income of Mr. Dan for the A.Y. 2019-20.

OR

Q.2) Following is the Profit & Loss Account of Mr. OLA for the year ended 31st March, 2019. (15)

Profit and Loss Account of Mr. Mangesh for the year ended 31st March, 2019.

Particulars	Rs.	Particulars	Rs.
To Salaries	2,10,000	By Gross Profit	4,18,000
To Rent	20,000	By Interest Accrued on NSC	10,000
To Postage	7,000	By Dividend from Indian Company	20,000
To printing & Stationery	27,000	By Winning from Lottery	15,000
To Advertisement	20,000	By Interest on Debentures of Limited Company	5,000
To Repairs to office	22,000		
To Conveyance	17,000		
To Wealth Tax	30,000		
To Expenses in connection with scrutiny case of Income tax	4,000		
To Fees paid to C.A. for Income Tax	10,000		
To Miscellaneous Expenses	25,000		
To Depreciation	5,000		
To L.I.C.	20,000		
To Net Profit	50,300		
	4,68,000		4,68,000

Additional Information:

- Salaries include bonus due to employees Rs. 30,000 which was not paid before the due date of filing Income Tax Return.
- Rent is paid for residential house of Mr. OLA.
- Repairs to office include a onetime cash payment of Rs. 10,000 on 18-08-2018.
- Miscellaneous expenses include purchase of shares of an Indian Company for Rs. 20,000.
- L.I.C. Rs. 20,000 is paid for maintenance of his handicapped dependent brother.
- Depreciation as per Income Tax Rules is Rs. 4,000.

Compute the net taxable income of Mr. OLA for the Assessment Year 2019-20.

Q.3) From the following particulars of Pankaj for the previous year ended 31st March, 2019, **Compute the income chargeable under the head "Income from Other Sources".** (15)

Particulars	Rs.
Directors fee from a company	10,000
Interest on bank deposits	3,000
Income from undisclosed source	12,000
Winning from Lotteries (net of TDS @30%)	35,000
Royalty on a book written by him	9,000
Lectures in Seminars	5,000
Interest on loan given to a relative	7,000
Interest on debentures of a company (listed in a recognized stock exchange) net of TDS @10%	3,600
Interest on post office Saving Bank Account	500
Interest on Government Securities	2,200
Interest on monthly income scheme of post office	33,000

He paid Rs. 1,000 for typing the manuscript of book written by him.

OR

3

Q.3 (A) Mr. Charlie Chaplin who is an Indian Citizen went for employment to Dubai on 1st April 2012 and came on a visit to India on 1-7-2018 and left for Dubai on 15-12-2018. Determine his residential status for Assessment year 2019-20. (8)

(B) MM had the following income during the year ended on 31st March, 2019. (7)

- | | |
|--|------------|
| i. Salary received in India for 3 months | Rs. 9,000 |
| ii. Income from house property in India | Rs. 13,470 |
| iii. Interest from savings bank account in SBI | Rs. 1,000 |
| iv. Amount brought into India out of the past untaxed profit earned in Germany | Rs. 20,000 |
| v. Income from Agriculture in Indonesia being invested there. | Rs. 12,350 |

Compute his Total Income for the Assessment year 2019-20, if he is (a) R (b) ROR (c) NR.

Q.4 Mr. X submits the following information pertaining to the year ending 31-3-2019. (15)

- Basic Salary Rs. 15,000 per month.
- D.A. Rs. 2,000 p.m.
- Bonus @ 20% of salary plus D.A.
- Employee contributes 12.5% of basic salary and dearness allowance to Recognized Provident Fund every month. Employer also contributes an equal amount.
- Interest on Balance credited to his Recognized Provident Fund Account @14% per annum Rs. 17,500.
- HRA Rs. 10,000 p.a. (He stays in his own house).
- Professional tax paid by employee Rs. 840.
- He retired from services on 31-03-2019 opting for 60% commutation of pension and received Rs. 2,40,000 as the only terminal benefit.

Compute his Income from salaries for the assessment year 2019-20.

OR

Q.4) Ms. Zubeda purchased a house property for Rs. 15,00,000 in October, 1995, She constructed a first floor during the financial year 2006-07 for Rs. 5,50,000. She made a further improvement in the financial year 2012-13 for Rs. 8,00,000. She constructed a second floor during the financial year 2013-14 for Rs. 12,00,000. She sold the property on 1-2-2019 for Rs. 35,00,000. She paid a brokerage of Rs. 50,000 for the sale transaction. Fair market value of the property as on 1-4-2001 was Rs. 16,00,000. Investment in new property was Rs. 2,50,000 on 10-3-2019. Compute the capital gains for the Assessment year 2019-20.

Cost of inflation Index: F.Y. 2001-02 = 100, F.Y. 2006-07 = 122, F.Y. 2012-13 = 200, F.Y. 2013-14 = 220, F.Y. 2018-19 = 280. (15)

Q.5 (A) State any eight incomes chargeable to tax under the had "Profit and Gains from Business or Profession" (8)

(B) Deductions under Sec 80. (7)

OR

Q.5 Write a short note on (any three): (15)

- Residential status of an individual.
- Provisions for Interest on loan for house property.
- Remuneration of Partners u/s 40(b).
- Gratuity u/s 10(10)
- Cost Inflation Index.

SEMESTER III END EXAMINATION

SUBJECT : COST ACCOUNTING

CLASS : SYBAF

MARKS : 75

DURATION : 2 ½ HOUR

NOTE : ALL QUESTIONS CARRIES 15 MARKS

Q:1A. Match the column [ANY 8]

[8]

Sr.No.	column "A"	column "B"
1	Abnormal loss Units	On completion of Contract account
2	Retention Money	Input Units-(Normal Units & Output units)
3	Paper Mills	Factory overheads + Prime Cost
4	Uncertified work	Work certified – Payment received by Contractor
5	Contractee	Valued at Cost
6	100% profit amount trf.to P&L A/c	Based on % of work certified
7	Warehouse expenses	Application of Process costing
8	Cash Received	Person for whom contract job is undertaken
9	Works Cost	Office and Administration overheads
10	Loose-tools written-off	Selling and distribution overheads
		Factory overheads

Q:1 Choose an appropriate answer and rewrite [any 7]

- In contract costing payment of cash to the contractor is made on the basis of
 - retention money
 - certified work
 - work in progress
 - uncertified work
- National profit is equal to
 - work certified less cost of work certified
 - work certified less cost of work completed
 - payment received less work
 - none of the above
- In cost accounting CPU stands for
 - cost per unit
 - cost profit unit
 - central processing unit
 - control per unit

4. Sales Rs. 1,20,000 , profit 20% on cost. Cost of sales are
- (a) Rs.20,000 (b) Rs.96,000
(c) Rs.0,000 (d) Rs.1,00,000
5. The aggregate of costs is termed as overheads.
- (a) direct (b) indirect
(c) total (d) cash
6. Which of the following items is not included in preparation of a cost sheet?
- (a) carriage inward (b) carriage outward
(c) interest (d) rent paid
7. Input is 950 unit , normal loss is 10% output is 840 units, abnormal loss is
- (a) 20 units (b) 25 units
(c) 15 units (d) 30 units
8. Interest paid on debenture is
- (a) debited to costing profit and loss a/c (b) credited to costing profit and loss a/c
(c) debited to financial profit and loss a/c (d) credited to financial Profit And loss a/c
9. Process costing is applicable to
- (a) paper industry (b) transport company
(c) printing press (d) repairs works
10. The realizable value of normal loss is credited to
- (a) normal loss a/c (b) process a/c
(c) abnormal a/c (d) none

Q:2 PRODUCT 'P' is obtained after it is processed through Process X,Y,Z

The following information is available for the month ended 31st march 2018

Particulars	Process X	Process Y	Process Z
Number of units introduced	10000		
Rate per unit of units introduced (Rs)	4		
Cost of material	5200	4000	2050
Direct wages	4500	7360	2800
Production overheads	4500	7360	2800
Normal loss (%)	10	20	25
Value of scrap per unit	2	4	5
Output in units	9000	6800	5400

There is no stock in accounts. You are required to prepare Processes Accounts, Abnormal Loss/Abnormal gain account, and Normal Loss Account.

Or

Q:2 M/S XYZ and co. manufacture a chemical which passes through three processes.the following particulars gathered for the month of January,2019

Particulars	Process I	Process II	Process III
Materials (in ltr)	400	208	168
Material cost (Rs)	38400	18800	6000
wages(Rs)	7680	7600	2200
Normal Loss (% of input)	4	5	5
Scrap sale value(Rs)	-	3 per ltr	-
Output transferred to next process	50%	40%	-
Output transferred to warehouse	50%	60%	100%

Overheads are charged @50% of Direct wages. You are required to prepare relevant accounts.

Q:3 The following is the summary of of the entries in a contract ledger as on 31st of December 2017, in respect of contract no. 51

Material(direct) 600000

Material (indirect) 130000

Wages 346000

Direct expenses 134000

Establishment expenses 160000

Plant 684000

Sale of scrap 36400

You are given the following information :

1. Accruals on 31.12.17 are : wages Rs 16000 and Direct expenses Rs. 22000
 2. Depreciation on plant for the year Rs. 171000
 3. Work Uncertified was Rs 90,000
 4. Material at site at the end of the year Rs. 2,00,000.
 5. Work certified Rs 1250000
- Prepare contract account.

Or

Q:3 Mohan construction pvt. ltd . obtained two viz. angles and paradise. Contract angel commenced on 1st October, 2013 and contract paradise started on 1st December, 2013. Following information was extract from their books for the period ended 31st march, 2014.

particulars	Contract angel Rs	Contract paradise Rs
Contract price		
Cash received	70,00,000	60,00,000
Plant issued at commencement	14,00,000	7,65,000
Work certified	22,50,000	12,00,000
Work uncertified	17,50,000	9,00,000
Direct wages	52,000	28,000
Direct expenses	2,95,000	1,77,500
Supervision charges	1,36,000	88,700
Administration overheads	27,500	22,500
Sub-contract charges	2,72,500	1,47,500
Electricity charges	63,700	44,200
Architect fees	48,000	28,600
Indirect materials	52,000	27,000
Direct materials	1,47,000	89,000
Direct material returned to store	3,58,000	1,97,200
Direct material at site at the end of period	14,000	12,000
	73,000	42,000

Other information :

(1) on 15th December , 2013 direct material costing Rs 22,000 have been transferred to contract paradise from contract angel.

(2) on 21st February, 2014 indirect material costing Rs 15,000 have been transferred from contract paradise to contract angel.

(3) provide depreciation @20% p.a. on the original cost of plant.

You are required to prepare contract angel A/c and contract paradise a/c for the period ended 31st march 2014.

Q:4 Given below is the trading and profit and loss account of Vikas electronics for the accounting year 31,3,2019

Particulars	Rs	Particulars	Rs
To material consumed	6,00,000	By sales (5,00,000 units)	15,00,000
To wages	4,00,000		
To factory expenses	240,000		
To office expenses	80,000		
To selling and distribution expenses	160,000		
To net profit	20,000		
	15,00,000		15,00,000

Normal output of a factory is 4,00,000 units. Factory overheads are fixed upto Rs.120,000 and office expenses are fixed .selling and distribution expenses are fixed to the extent of Rs.100,000 ; the rest are variable.

Prepare statement of reconciling profit as per cost accounts and financial accounts.

Or

Q:4 Following details are furnished by MBA ltd of expenses incurred during the year ended 31st March 2018.

Particulars	Rs.
Direct Material	3,40,000
Opening stock Finished Goods(1000 units)	85250
closing stock Finished Goods(2000 units)	?
Depreciation on plant and machinery	96,000
Loss on sale of Machinery	17,500
Trade fair expenses	85,500
Direct expenses	1,60,000
General Manager salary	3,80,000
Dividend paid	7800
Direct wages	2,60,000
Advertisement	1,85,250
Depreciation on computer	1,72,000
Drawing and designing expenses	54,000
Purchase of Machinery	1,90,000
Depreciation on delivery van	1,14,000

5

5

Office maintenance charges	1,88,000
Factory rent	1,50,000
Sales (19,000 units)	22,80,000

Closing stock of finished goods to be valued at cost of Production.

You are required to prepare cost sheet showing various elements of cost both in total and per unit and also find out total profit and per unit profit .

Q:5 A) Distinguish between joint product and by products ?

[8]

B) Write a note on Abnormal loss and Abnormal gain

[7]

Or

Q:5 Short notes (3/5)

[15]

1. Work uncertified
2. Retention money
3. Notional profit
4. Abnormal loss
5. Transfer to profit and loss account under contract costing

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OCTOBER-2019

Time: 2hrs 30 min Programme: SYBAF, SEM-III Marks:75

Note: 1) Attempt all questions.

2) All questions carry equal marks.

3) Draw neat diagrams wherever necessary.

Q.1 Answer Any Two

15

- a) Explain the concept of circular flow of income in four sector economy.
- b) Explain the features of Trade Cycles.
- c) Discuss the scope of Macroeconomics.

Q.2 Answer Any Two

15

- a) What are the objectives of Monetary Policy.
- b) Examine the effects of inflation on economic activities.
- c) What are the Causes of Inflation?

Q.3 Answer Any Two

15

- a) What are the various canons of taxation?
- b) What are the objectives of Fiscal Policy?
- c) Discuss the significance of Public Expenditure.

Q.4 Answer Any Two

15

- a) Examine advantages of MNC's in developing countries.
- b) Explain the terms of trade with factors affecting terms of trade.
- c) What are the factors determining arguments for protection?

Q.5 A) Conceptual Questions (Any Four out of six)

8

- 1) Inflation
- 2) Circular flow of income
- 3) Public Expenditure
- 4) Macroeconomics
- 5) Public Debt
- 6) Foreign Investment

Q.5 B) Multiple Choice Questions: (Any Seven)

7

1) Demand for Transaction and precautionary motive is interest _____.

- a) Elastic b) Unit Elastic c) Inelastic

2) Which of the following is not a direct cause of demand-pull inflation?

- a) Deficit Financing b) Credit Creation c) Raw materials

3) Income terms of trade tell increased capacity to _____

- a) Export b) Import c) Investment

4) External debt implies borrowing from _____

- a) Individuals b) Firms c) Foreign Countries

5) Which of the following is not the cause of the deficit in the Balance of Payments?

- a) Increase in imports b) Fall in exports c) Capital inflows

6) Free trade leads to _____.

- a) Increase in prices b) better standard of living c) decline in standard of living

7) In a three-sector economy, we do not include income expenditure of _____.

- a) Government b) External sector c) Household

8) Objectives of monetary policy are _____.

- a) Economic growth b) price stability

9) Bank rate is charged by the _____.

- a) commercial banks b) Central bank c) Co-operative bank

10) Fixed exchange rate system was _____.

- a) unstable b) less stable c) more stable

Time: 2:30 Hours

Marks: 75

Programme: IT In Accountancy – I Sem – III

Course: SYBAF

Note: All questions are compulsory
From Q2 to Q4, attempt either "A" and "B" OR "C" and "D"
For Q5 attempt either "A" OR "B"

Q1 A] Multiple Choice questions (any 8)

(8)

- 1) Intersection of all rows and all columns is called as _____.
a) Cell b) Workbook
c) Worksheet d) None of these

- 2) IP address is of _____ bits.
a) 32 b) 48
c) 64 d) 16
- 3) _____ layer is responsible to deliver a message from one process to another process.
a) Network b) Transport c) Data Link d) Physical
- 4) Typing very small letters just below the line of text is called as _____.
a) Superscript b) Subscript c) Strikeout d) None of these
- 5) Power point has _____ views in which you can create, organize & preview presentation.
a) Four b) Five c) Six d) Seven
- 6) _____ offers access to insiders, selected outsiders such as customers, suppliers and other business partners.
a) Intranet b) Internet c) Extranet d) None of these
- 7) MAN covers _____ geographical area limit.
a) 1km – 2km b) 10km-12km c) 40km-60km d) No limit

- 8) The last layer of TCP/IP is _____.
a) Internet b) Transport
c) Network d) Application
- 9) _____ is a system software which converts the assembly language program into machine language.
a) Translators b) Compiler c) Interpreter d) Assembler
- 10) _____ means converting plain text to cipher text.
a) Encryption b) Decryption c) Translation d) Conversion

Q1 B] State the following as True or False (any 7)

(7)

- 1) LAN is a large network of computers.
- 2) Radio waves are easy to generate & can travel in any direction.
- 3) At present pen drive is preferred over a CD for storage of data.
- 4) EDI transfers data from one computer system directly to another by standard message formatting.
- 5) "Indiamart" is an example of B2B e-commerce.
- 6) The last or the rightmost column of the worksheet is XFD.
- 7) Database is a collection of related tables.
- 8) A website is a collection of various web pages written in HTML markup language.
- 9) Virus, worms, trojan horse are all examples of malicious programs.
- 10) Web address is also called as URL.

Q2 [A] List and explain output devices of a computer.

(8)

[B] Explain Supply Chain Management.

(7)

OR

[C] Explain parts of computers with a neat diagram.

(8)

[D] Define Network topology. Explain star and bus topology with a neat diagram.

(7)

Q3 [A] Explain the following network protocols:

1) SMTP

2) IMAP

3) HTTP

4) FTP

(8)

[B] Explain generations of computers in detail.

(7)

OR

[C] What are the strategies in E-commerce? Explain in detail.

(8)

[D] Define computer network. Explain the vulnerabilities of a network.

(7)

Q4 [A] Explain mobile computing. State its limitations

2 (8)

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[B] Explain the different types of Electronic payments. (7)

OR

[C] Explain the following terms: (8)
1) E-mail 2) HLOOKUP

[D] Explain the various different types of views in MS-POWER POINT. (7)

Q5 [A] Explain the following terms: (15)

- | | |
|----------------|----------------|
| 1) Intranet | 2) Extranet |
| 3) MAC address | 4) Domain Name |
| 5) Wi-Fi | |

OR

[B] Write Short notes on: (any 3) (15)

- 1) Network protocol
- 2) Packet switching
- 3) Guided Media
- 4) Client server architecture
- 5) Hacking

3

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REGULAR EXAMINATION – OCTOBER – 2019

TIME: 2 ½ Hours

MARKS: 75

PROGRAMME: SYBAF SEM IV

COURSE: BUSINESS LAW III

Q1. A. Fill in the blanks. (Any 8)

8 marks

1. Registration of partnership in Maharashtra is _____.
2. Liability of Karta is _____.
3. Nominal partner is liable for the _____ of firm.
4. Contribution constitutes _____ of LLP.
5. Goodwill of business is _____ of firm.
6. _____ number of members required to open LLP.
7. Ambulance room in factory employing more than _____ worker.
8. Preserving or storing any article in cold storage is a _____.
9. In factory _____ can appoint welfare officer.
10. Occupier means a person who has ultimate _____ over the factory.

B. State whether following statements are true or false. (Any 7)

7 marks

1. Locking devices for power cutting are used for permanent closing of machines.
2. Mutual agency is true test of partnership.
3. Safety officer is appointed where more than 100 workers are working.
4. Profit sharing is true test of partnership.
5. Liability of partners is limited in LLP.
6. Under LLP the term business only includes trade.
7. Death of partner dissolves the LLP.
8. Child means a person who is not completed 18 years of age.
9. A Co-owner is the agent of the Occupier.
10. Penalty for violating the provisions of spittoons is 10 Rupees.

Q2. a. Define dissolution of firm. Explain ground of dissolution of firm by court? 15Marks

OR

a. Explain Rights and liabilities of a minor admitted to the partnership? **15Marks**

Q3. a. Define LLP. Explain the natures of LLP? 15Marks

OR

a. Distinguish LLP and Partnership firm. Explain advantages of partnership? **15Marks**

Q4. a. Explain provisions of factories act regarding Health of employees? 15Marks

OR

a. What are the provisions of factories act regarding welfare of employees? **15Marks**

Q5. a. Explain Admission of partner? 8 marks

b. Discuss the provisions of maintenance of adequate ventilation? **7 marks**

OR

Q.5. Write short notes on (Any 3)

15 marks

1. Provisions as to Drinking water.
2. Actual Partner.
3. Compulsory dissolution.
4. Partnership at will.
5. Designated Partners.

10/10/19

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SEMESTER III END EXAMINATION

SUBJECT : FOUNDATION COURSE (FINANCIAL MARKET OPERATIONS)

CLASS : SYBAF

MARKS : 75

DURATION : 2 ½ HOUR

Q:1A. FILL IN THE BLANKS [ANY 8]

[8]

1. IPO stands for _____
2. _____ is a two ways of measuring inflation .
3. Venture capital is a form of _____
4. _____ is a most common method of public issue .
5. NBFC stands for _____
6. _____ is a great significance to the economy of a country .
7. SEBI stands for _____
8. FII stands for _____
9. Venture capital is also known as _____
10. _____ card is a card which is enable card holder to purchase goods without making immediate payments .

Q:1 B Match the column and rewritethe answer

[7]

"A"	"B"
1. Financial Market	1. Risky Capital
2. Primary Market	2. 1935
3. RBI	3. Lease Financing
4. Fund Based	4. Fee-Based Services
5. Merchant Banking	5. Capital and Money market
6. Venture Capital	6. New Issue Market
7. Equity Shares	7. Money Market
8. T-Bill	8. Capital Market
9. Securitization	9. Financial Intermediaries
10. Banks	10. Financial Innovation

1

[15]

Q:2 Answer in details:

(A) Write a note on venture capital ?

(B) Write a note on hire purchase?

Or

(C) Write a note on Leasing.

(D) What are the characteristics and purpose of insurance ?

[15]

Q:3 Answer in details:

(A) Distinctions between primary market and secondary market ?

(B) Explain financial market also explain how it is classified ?

OR

(C) Explain the capital market instrument ?

(D) Elaborate money market & its instruments.

Q:4 Answer in details:

(A) What are the 'power and functions' of SEBI ?

(B) State role & functions of RBI.

OR

(C) Write a note on Types of leases.

(D) What are the needs for Derivatives?

Q:5 Answer in details:

(A) What are the merits and demerits of credit card?

(B) Explain in detail about progress and scope of merchant banking in India.

[15]

Q:5 SHORT NOTES (ANY THREE)

1. Saving and investment
2. functions of RBI
3. Red herring prospectus
4. Plastic Money
5. sweat equity shares

[15]

N.B: 1) Question No. 1 is Compulsory.

- 2) Attempt Q.2. To Q.5 with internal choice.
- 3) Figures to right indicate full marks.
- 4) Use of Simple Calculator is permitted.

{8 MARKS}

Q.1. (A) State whether the following statements are true or false.

1. Goods withdrawn by partner are loss to the firm.
2. Prepaid rent is added to rent expenses of the year.
3. In piecemeal distribution, amounts realized to sale of assets are first distributed to partners & thereafter to outside liabilities
4. In excess capital method, are partners whose units capital is taken are base has the highest capital.
5. On amalgamation of firm, fictitious assets of old firm is debited to capital account of old partners.
6. Partnership firm is non- trading & nonprofit concern.
7. Outstanding wages is a personal Account.
8. Partners current account always shows credit balance.

{7 MARKS}

(B) Match the Following Columns.

Column A	Column B
1. AS 11	a. P & L Appropriation A/c
2. Net Assets Method	b. Old Partners Profit
3. FEF Transfer to	c. Trading Account Dr
4. Purchase consideration	d. Foreign Currency
5. Wages and salaries	e. Balance sheet after Amalgamation
6. general Reserve	f. Purchase Consideration
7. Interest on Capital	g. Profit and loss Account

{15 MARKS}

Q.2. following is the trial balance of the firm as on 31st December 2018.

Debit	Rs	Credit	Rs
Cash	29,700	Creditors	40,500
Debtors	93,000	Sales	5,40,000
Rent	17,700	Capital	
Salary	36,000	A	72,000
Sunday expenses	15,600	B	36,000
Stock	75,000	C (included goodwill)	12,000
Purchases	3,30,000		
Sundry Assets	31,500		
Drawings			
A	45,000		
B	22,500		
C	4,500		
	7,00,500		7,00,500

Adjustments:

- (1) A & B were partners sharing profit and losses equally.
- (2) Mr. C was admitted to the partnership firm on 1 July 2018 with 1/3 share.
- (3) On 31st December 2018 stock was value at Rs 70,500.
- (4) Rent paid in advance Rs 700.
- (5) Sundry expenses were outstanding Rs 400.
- (6) Depreciation on Sundry Assets by 20%
- (7) Goodwill of the firm was value at Rs 6000.
- (8) Interest on capital to be charged at the rate of 10% p.a.

You are required to prepare Trading, Profit & loss Account for the year ended on 31st December 2018 and Balance sheet as on that date

Trading Company of USA. The payment was made as under.

On 15th January, 2006- \$ 8,000

On 15th February, 2006- \$9,000

On 15th March, 2006- \$14,500

On 15th April, 2006- \$11,000

Deepali Ltd. closes its books on 31st March every year the exchange rate for \$ 1 was as follows

1st January, 2006	Rs. 48.50	15th January, 2006	Rs. 49.25
15th February, 2006	Rs. 48.25	15th March, 2006	Rs. 48.40
31st March, 2006	Rs. 48.75	15th April, 2006	Rs. 48.60

{15 MARKS}

Q.3. M/s Super store is partnership firm with Sunil, Anil and Neel as Partners sharing profits and losses in the ratio of 5:3:2, Their Balance Sheet on the date of dissolution was as follows.

Liabilities	Rs	Assets	Rs
Partners capital		Fixed Assets	80,000
Sunil	38,800	Current Assets	60,000
Anil	20,400	Cash in hand	9,600
Neel	26,000		
General reserve	19,200		
Sunil Loan	21,200		
Sundry Creditors	24,000		
	1,49,600		1,49,600

1. Realization expenses were estimation at Rs. 4,000.
2. The assets were realized as under ,
 - First installment Rs. 61,280.
 - Second Installment Rs. 28,720.
 - Third installment Rs. 20,000.
3. Actual realization expenses were Rs. 3000 Only.

Prepare a statement showing piecemeal distribution of cash adopting Excess Capital Method.

OR

{15MARKS}

Q.3. The balance sheet of partnership firm carried on by Mary, Rozy And Julee who sharing profit and Losses in the ratio of 2:2:1 respectively is as follows

Balance sheet as on 31st December 2019.

Liabilities	Amount	Assets	Amount
Capital		Land	1,92,000
Mary	1,20,000	Furniture	60,000
Rozy	72,000	Inventory	67,200
Julee	48,000	Debtors	1,44,000
Creditors	1,20,000	cash	1,56,000
Bank overdraft	70,800		
Bank loan	48,000		
	4,78,800		4,78,800

It was decided to revalue the assets as follows.

- Land - Rs 2, 40,000
- Furniture - Rs 48,000
- Inventory - Rs 60,000

Purchase consideration was to be satisfied as under;

1. 7,200 12% preference shares of Manoj Ltd of Rs 10 each.
2. 1,200 equity shares of Manoj Ltd of Rs 100 each.
3. Balance to be paid in cash

You are required to:

2

date of amalgamation is as below:

Liabilities	A & Co	C & Co	Assets	A & Co	C & Co
Creditors	20,000	10,000	Cash in hand	15,000	12,000
Bills payable	5,000		Investment	10,000	8,000
Bank loan	8,000	10,000	Debtors	9,000	4,000
Capital			Furniture	12,000	6,000
A	35,000		Premises	30,000	-
B	22,000		Land	-	50,000
C		36,000	Machinery	15,000	-
D		20,000	Goodwill	9,000	-
	1,00,000	80,000		1,00,000	80,000

Additional information:

1. New firm M/s AC & Co to consider goodwill of Rs 12,000 each firm.
2. New Firm to take over investment @ 90% each firm.
3. RDD on debtors @ 5% for A & Co and 2.5% for C & Co.
4. Realizations expenses of Rs 1000 paid by new firm.

Prepare;

1. Purchase Consideration
2. Your are required to close books of A & Co and C & Co

New Balance sheet after amalgamation

OR

{15 MARKS}

Q.4. A, B and C carry on business in partnership sharing profits and losses in the proportions of 1/2, 3/8 and 1/8 respectively. On 31st March, 2012, they agreed to sell their business to a limited company.

Their position on that date was as follows:

Liabilities	Rs	Assets	Rs
Partners Capital		Machinery	48,000
Shahid	40,000	Furniture	42,000
Manoj	30,000	Stock	23,000
Shweta	26,000	Book debts	15,000
Loan from Vikas	16,000	Cash	2,000
Sundry Creditors	18,000		
	1,30,000		1,30,000

The company took the following assets at the valuation shown below:-

Machinery	61,000
Furniture	31,800
Stock	22,000
Debtors	14,000
Goodwill	10,000

The company also pay creditors which was agreed at Rs 17,700, The Company paid Rs 67,000 in fully paid shares of Rs 10 each and balance in cash.

Prepare -:

- (1) Purchases consideration
- (2) Journal entries in the book of new Co.
- (3) Prepare ledger accounts in the books of the firm.

{15 MARKS}

Q.5. (A) What do you mean by amalgamation? Explain the Accounting procedure in the books of the vendor firm

(B) Explain the steps to calculate partners share under excess capital methods

OR

{15 MARKS}

Q.5. Write a short note (Any 3)

(A) Payment Method of purchase consideration.

(B) AS 11

(C) Order of payments in piecemeal distribution

(D) Fixed Capital method.

(E) Compression of firm